

PUBLIC DISCLOSURE

July 27, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Farmers & Merchants Savings Bank
RSSD# 863746

101 East Main Street
Manchester, Iowa 52057

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

NOTE: This document is an evaluation of this bank's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

TABLE OF CONTENTS

PERFORMANCE EVALUATION	2
SCOPE OF EXAMINATION	2
DESCRIPTION OF ASSESSMENT AREA	4
DESCRIPTION OF INSTITUTION	5
CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA	6
LENDING TEST	7
COMMUNITY DEVELOPMENT TEST	9
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	11
STATE OF IOWA	12
DESCRIPTION OF INSTITUTION'S OPERATIONS IN IOWA	12
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN IOWA	12
CEDAR RAPIDS, IOWA MSA #16300 - FULL REVIEW	14
DESCRIPTION OF INSTITUTION'S OPERATIONS IN CEDAR RAPIDS, IOWA MSA #16300	14
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CEDAR RAPIDS, IOWA MSA #16300	21
NON-MSA WRIGHT COUNTY, IOWA – LIMITED REVIEW	34
DESCRIPTION OF INSTITUTION'S OPERATIONS IN NON-MSA WRIGHT COUNTY, IOWA	34
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-MSA WRIGHT COUNTY, IOWA	37
NON-MSA DELAWARE COUNTY, IOWA – LIMITED REVIEW	41
DESCRIPTION OF INSTITUTION'S OPERATIONS IN NON-MSA DELAWARE COUNTY, IOWA	41
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-MSA DELAWARE COUNTY, IOWA	44
STATE OF MINNESOTA	50
MINNEAPOLIS-ST.PAUL-BLOOMINGTON, MINNESOTA-WISCONSIN, MSA #33460 - FULL REVIEW	52
DESCRIPTION OF INSTITUTION'S OPERATIONS IN MINNEAPOLIS-ST.PAUL-BLOOMINGTON, MINNESOTA-WISCONSIN, MSA #33460	51
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MINNEAPOLIS-ST.PAUL-BLOOMINGTON, MINNESOTA-WISCONSIN, MSA #33460	58
APPENDIX A – MAPS OF THE ASSESSMENT AREAS	70
APPENDIX B – SCOPE OF EXAMINATION	75
APPENDIX C – 2017 DEMOGRAPHIC & PERFORMANCE TABLES	76
APPENDIX D – GLOSSARY	88

BANK'S CRA RATING

Farmers & Merchants Savings Bank is rated: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

Farmers & Merchants Savings Bank is rated satisfactory and is meeting the needs of its community based on an analysis of lending and community development activity. The loan-to-deposit ratio is more than reasonable given the bank's size, financial condition and assessment area credit needs. A majority of the bank's loans were originated within the assessment area. The geographic distribution of loans is reasonable given the assessment area. Loan distribution to individuals of different income levels and businesses and farms of different sizes is reasonable. Neither Farmers & Merchants Savings Bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

The bank's community development performance demonstrates adequate responsiveness to the needs of its assessment area through community development loans, qualified investments and donations, and community development services. The performance is appropriate considering the bank's capacity and the need and availability of such opportunities for community development within the assessment area.

SCOPE OF EXAMINATION

Farmers & Merchants Savings Bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council (FFIEC) Interagency Examination Procedures for Intermediate Small Banks. The evaluation analyzed information about the institution and its assessment area, including asset size, financial condition, competition, and economic and demographic characteristics.

The bank delineates four assessment areas consisting of Cedar Rapids, Iowa Metropolitan Statistical Area (MSA) #16300; Non-MSA Delaware County, Iowa; Non-MSA Wright County, Iowa; and Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin MSA #33460. For this evaluation, both the Cedar Rapids, Iowa MSA and the Minneapolis St. Paul -Bloomington, Minnesota MSA were selected for full-scope reviews based on economic and demographic characteristics, analysis at previous evaluations, lending and deposit volume, and community development needs. Performance within the state of Iowa carries the most weight in the overall performance rating as it contains the majority of deposits, bank branches, and loan volume. Both the Non-MSA Delaware County, Iowa assessment area and the Non-MSA Wright County, Iowa assessment area were evaluated as limited scope reviews and evaluated for consistency with the bank's performance in the full review assessment areas. The bank's performance in the limited scope review did not affect the overall rating.

Loan products reviewed during the evaluation include Home Mortgage Disclosure Act (HMDA) reportable loans, small business, and small farm loans. These products represent the bank's primary business lines based on volume by number and dollar amount. Small business lending performance received greater weight, given the bank's focus on commercial lending and the volume of originations within the evaluation period. HMDA lending and small farm lending were given equal weight in the evaluation of the Cedar Rapids, Iowa MSA assessment area, while small farm lending in the Minneapolis St. Paul –Bloomington, Minnesota MSA received the least weight due to loan volume and demographic conditions. The bank's level of community development activities were also evaluated.

Performance within the designated assessment areas was evaluated using intermediate-small bank examination procedures based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 12-quarter average loan-to-deposit was calculated for the bank and compared to a sample of local competitors;
- ***Lending in the Assessment Area*** – The bank's HMDA-reportable loans originated from January 1, 2017 – December 31, 2018 and samples of small business and small farm loans originated from January 1, 2019 – December 31, 2019 were reviewed to determine the percentage of loans originated within the assessment area;
- ***Geographic Distribution of Lending in the Assessment Area*** – The bank's HMDA-reportable loans originated from January 1, 2017 – December 31, 2018 and samples of small business and small farm loans originated within the assessment area, from January 1, 2019 – December 31, 2019, were analyzed to determine the extent to which the bank is making loans in geographies of different income levels, particularly those designated as low- and moderate-income;
- ***Lending to Borrowers of Different Income and to Businesses of Different Sizes*** – The bank's HMDA-reportable loans originated from January 1, 2017 – December 31, 2018 and samples of small business and small farm loans originated within the assessment area, from January 1, 2019 – December 31, 2019, were reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses and farms with different revenue sizes;
- ***Response to Substantiated Complaints*** – Complaints were reviewed to determine if any were related to the bank's record of helping to meet community credit needs and its responses to any complaints received were evaluated for appropriateness; and
- ***Community Development Activities*** – The bank's responsiveness to community development needs through community development loans, qualified investments and donations, and community development services, from February 6, 2017 – July 27, 2020

were reviewed while also considering the capacity, need, and availability of such opportunities within the assessment area.

In addition, four community representatives were contacted in connection with this examination, to provide information regarding local economic and socio-economic conditions in the assessment area. Contacts represented organizations involved with economic development, affordable housing, and government housing service departments.

DESCRIPTION OF ASSESSMENT AREA

Farmers & Merchants Savings Bank's combined assessment area includes three individual assessment areas throughout the state of Iowa and one individual assessment area in the state of Minnesota. Details on the bank's assessment areas are included in the table below.

The combined assessment area has 279 census tracts in total. Of those 279 census tracts, 105 are designated as low- or moderate-income (LMI) (26 low- and 79 moderate-income), representing 37.6 percent of all tracts in the combined assessment area. These LMI census tracts are home to 115,268 families, representing 41.4 percent of all families in the assessment area. There are no distressed or underserved middle-income census tracts within the combined assessment area.

There are 464,305 total housing units located in the assessment area; 33.0 percent are located in LMI census tracts. Of the total housing units in the combined assessment area, 65.0 percent are owner-occupied. However, only 24.8 percent of these units are located in LMI tracts, presenting limited lending opportunities. While businesses and farms with \$1 million or less in total annual revenue represent 89.8 and 98.7 percent, respectively, of all businesses and farms in the assessment area, small farms in the Cedar Rapids, IA MSA represent 46.6 percent of all small farms in the combined assessment area compared to only 20.6 percent in the Minneapolis-St. Paul, Minnesota-Wisconsin MSA. Overall, the data indicate limited small farm lending opportunities in the Minneapolis-St. Paul, Minnesota-Wisconsin MSA.

Description of Farmers & Merchants Savings Bank's Individual Assessment Areas				
Assessment Area	Description	# of Offices	Office Locations (City)	Review Type
Cedar Rapids, Iowa MSA #16300	A portion of the MSA, which consists of Linn and Jones Counties, Iowa	4	Anamosa, Cedar Rapids, and Monticello, Iowa	Full
Non-MSA Delaware County, Iowa	Delaware County, Iowa in its entirety	2	Manchester, Iowa	Limited
Non-MSA Wright County, Iowa	Wright County, Iowa in its entirety	3	Formerly: Clarion, Eagle Grove, & Goldfield, Iowa	Limited
Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin MSA #33460	A portion of the MSA, which consists of Anoka and Ramsey Counties, Minnesota	2	Lino Lakes & Vadnais Heights, Minnesota	Full

DESCRIPTION OF INSTITUTION

Farmers & Merchants Savings Bank is a wholly owned subsidiary of Dunn Investment Company, a one-bank financial holding company (FHC) headquartered in Manchester, Iowa. Manchester is located in northeastern Iowa, approximately 50 miles north of Cedar Rapids, Iowa, where the bank maintains the majority of their operations. In addition to the main office location in Manchester, which includes a full-service automated teller machine (ATM), the bank delivers its products and services through a network of seven full-service branch offices and four ATMs; of those ATMs, four are full-service and one is cash-only. The bank operates in four individual assessment areas, three of which are in the state of Iowa and one assessment area in the state of Minnesota where the bank operates two branches. As of August 2019, the bank sold three branches located in Wright County. The bank also closed its Westdale branch located in the Cedar Rapids, Iowa MSA since the previous evaluation.

As of December 31, 2019, the bank reported total assets of \$581.4 million based on the Uniform Banking Performance Report (UBPR), representing nearly 5.0 percent growth since the previous evaluation. The bank's loan portfolio is comprised of 66.7 percent commercial, industrial, and non-farm non-residential loans; 19.5 percent agricultural and farmland loans; and 9.8 percent residential real estate and multi-family real estate loans.

The bank provides a range of retail banking services that are uniformly available to the communities it serves. Loan and deposit products are standard and generally non-complex; they include, but are not limited to, the following: commercial, agricultural, 1-4 family adjustable-rate and balloon loans, home equity loans and home equity lines of credit, construction temporary financing, and consumer unsecured and auto-secured loans. In addition, the bank participates in various government-sponsored loan programs offered through the Small Business Administration (SBA), Farm Service Agency (FSA), and Veterans Administration (VA). Deposit products include demand deposits, money market accounts, negotiable orders of withdrawal, certificates of deposits, and overdraft protection. Customers may also conduct online banking transactions and apply for mortgage loans online through the bank's website www.fmbankia.com.

Details of the allocation of the bank's loan portfolio in the following table.

Composition of Loan Portfolio as of December 31, 2019		
Loan Type	Dollar Volume (\$ in 000s)	% of Portfolio
Commercial	\$306,602	66.7
Agriculture	\$89,454	19.5
Residential RE	\$44,799	9.8
Consumer	\$4,016	0.9
Other	\$14,756	3.2
Gross Loans	\$459,627	

There are no known legal, financial or other factors impeding the bank's ability to help meet the credit needs in its communities.

The bank was rated Satisfactory under the CRA at its previous evaluation conducted on February 6, 2017.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The following table summarizes the ratings assigned to Farmers & Merchants Savings Bank.

Farmers & Merchants Savings Bank Ratings			
	Lending Test	Community Development Test	Overall
Overall	Satisfactory	Satisfactory	Satisfactory
State of Iowa	Satisfactory	Satisfactory	Satisfactory
State of Minnesota	Satisfactory	Satisfactory	Satisfactory

The bank's lending and community development test performance in the state of Iowa was given the greatest weight in the overall ratings based on the percentage of HMDA-reportable loans, small business and small farm loan volume, the size and breadth of the branch network, and total deposits in the state. Specifically, performance in the Cedar Rapids, Iowa MSA #16300 assessment area carries the most weight in the overall performance rating as it has the majority of deposits, loan volume, and branches.

LENDING TEST

Farmers & Merchants Savings Bank's performance relative to the lending test is rated Satisfactory. This is based on a loan-to-deposit ratio that is more than reasonable given the bank's size, financial condition and assessment area credit needs. Additionally, a majority of loans and other lending related activities are in the assessment area, the distribution of loans to individuals of different income levels and businesses and farms of different sizes is reasonable, and the geographic distribution of loans is reasonable given the bank's assessment area.

Loan-to-Deposit Ratio

Farmers & Merchants Savings Bank's loan-to-deposit (LTD) ratio is more than reasonable given the bank's asset size, financial condition, and assessment area credit needs. As of March 31, 2020, the bank's 12-quarter average LTD ratio was 102.2 percent, which is notably higher than the local competitors listed in the table below. Additionally, the bank's LTD for the current evaluation is consistent with the LTD ratio at the previous evaluation, at 102.3 percent.

Comparative Loan-to-Deposit Ratios	
Institution	Loan-to-Deposit Ratio (%) 12-Quarter Average
Farmers & Merchants Savings Bank	102.2
Competitors	
Cedar Rapids Bank & Trust	90.6
Community Savings Bank	89.0
Fidelity Bank & Trust	85.2
GNB Bank	96.4
Heritage Bank NA	96.1
Lake Elmo Bank	72.0
Premier Bank	84.7
Village Bank	86.4

Assessment Area Concentration

The following tables summarize Farmers & Merchants Savings Bank's lending inside and outside its assessment area for HMDA-reportable loans from January 1, 2017 to December 31, 2018, and small business and small farm loans from January 1, 2019 to December 31, 2019. Two tables have been provided because of differences in reporting requirements between 2017 and 2018, resulting in an analysis conducted on each year of available data individually.

As shown in the Lending Inside and Outside the Assessment Area - 2018 and 2019 tables below, a majority of the bank's loans by number and dollar volume, at 72.7 percent and 67.4 percent, respectively, were originated within its assessment areas. By product, the bank originated 71.0 percent by number and 56.7 percent by dollar of their 2018 HMDA-reportable loans, 77.9 percent by number and 80.0 percent by dollar of its 2019 small business loans, and 69.1 percent by number and 74.8 percent by dollar of its 2019 small farm loans inside its assessment area. Additionally, in 2017, the bank originated a majority of their HMDA-reportable loans inside the assessment area, at 77.9 percent by number volume and 66.5 percent by dollar volume. The percentages of HMDA-reportable, small business, and small farm originations within the assessment areas indicates the bank is actively serving the credit needs of the community.

Lending Inside and Outside the Assessment Area - 2018 and 2019								
Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	1	100.0	\$33	100.0	0	0.0	\$0	0.0
Home Purchase	77	72.0	\$11,508	68.4	30	28.0	\$5,311	31.6
Multi-Family Housing	6	60.0	\$573	8.0	4	40.0	\$6,621	92.0
Refinancing	70	70.7	\$8,850	68.4	29	29.3	\$4,085	31.6
Total HMDA related (2018)	154	71.0	\$20,964	56.7	63	29.0	\$16,017	43.3
Total Small Business related (2019)	109	77.9	\$19,516	80.0	31	22.1	\$4,868	20.0
Total Small Farm related (2019)	67	69.1	\$8,809	74.8	30	30.9	\$2,975	25.2
TOTAL LOANS	330	72.7	\$49,288	67.4	124	27.3	\$23,860	32.6

Lending Inside and Outside the Assessment Area - 2017								
Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	14	100.0	\$593	100.0	0	0.0	\$0	0.0
Home Purchase	89	78.8	\$11,606	73.1	24	21.2	\$4,271	26.9
Multi-Family Housing	1	100.0	\$79	100.0	0	0.0	\$0	0.0
Refinancing	132	75.4	\$23,336	63.1	43	24.6	\$13,651	36.9
Total HMDA related	236	77.9	\$35,614	66.5	67	22.1	\$17,922	33.5
TOTAL LOANS	236	77.9	\$35,614	66.5	67	22.1	\$17,922	33.5

Geographic and Borrower Distribution

Overall, the geographic distribution of loans is reasonable throughout the combined assessment area, specifically LMI geographies. In addition, the borrower distribution to individuals of different income levels, including LMI individuals, and businesses and farms of different revenue sizes is reasonable. The specifics of the bank's lending in each assessment area and relevant demographics are discussed in the individual assessment area sections.

Response to Complaints

Neither the bank nor this Reserve Bank has received any CRA-related complaints since the previous examination.

COMMUNITY DEVELOPMENT TEST

Farmers & Merchants Savings Bank's performance relative to the community development test is Satisfactory. The bank's community development performance demonstrates adequate responsiveness to the needs of the assessment area through community development loans, qualified investments and donations, and community development services, as appropriate, considering the bank's capacity and the availability of such opportunities for community development in the bank's assessment area.

Lending, Investment, and Services Activities

Farmers & Merchants Savings Bank originated 158 qualified loans for a total of approximately \$64 million within its assessment areas. Over 90 percent of the qualified loans by both volume and dollars were originated in the state of Iowa, and the remainder were originated in the state of Minnesota. Community development lending has significantly increased by dollar volume since the previous evaluation where the bank made 35 qualified loans totaling \$21 million. This is excellent given the previous evaluation's review period for community development activities was almost a year longer than the review period for this evaluation. Additional details of community development lending performance can be found in the individual assessment area discussions.

The bank made two new investments totaling \$760,000 towards revitalizing and stabilizing activities within its Cedar Rapids, IA MSA assessment area. This performance is consistent with the bank's investment performance from the previous evaluation. Additional details of the qualified community development investments can be found in the individual assessment area discussion for the Cedar Rapids, IA, MSA.

Donations for community development purposes totaled 48 donations for \$49,000. This is comparable to the previous evaluation, where the bank made 18 donations totaling \$45,000. Of the donations qualified, a majority were toward community services targeted to meet the needs of LMI individuals and households, economic development, and revitalize and stabilize activities within the assessment area. Additional details of community development contributions can be found in the individual assessment area discussions.

Lastly, bank staff provided 1,667 hours of community development services since the prior evaluation. A majority of the total number of service hours (68.0 percent) were dedicated to organizations with an economic development focus. Bank employees mostly engaged in assisting with financial planning, resource allocation services, and serving as board and committee members for several of these organizations. The bank's service hours experienced a significant increase; at the prior evaluation, the bank had 344 total community development service hours. Additional information with respect to the bank's community development services is provided within the full review assessment area sections.

	Community Development Activities February 6, 2017 – July 27, 2020							
Assessment Area	Loans		Investments		Donations		Services	
	#	\$	#	\$	#	\$	#	Hours
	Full Review							
Cedar Rapids, IA MSA #16300	145	61,964,000	2	760,000	37	42,375	42	682
Minneapolis-St. Paul - Bloomington, Minnesota- Wisconsin, MSA #33460	11 (2)	1,771,000 (750,000)	0	0	1	250	26	506
	Limited Review							
Non-MSA Wright County, IA	0	0	0	0	6	3,390	5	254
Non-MSA Delaware County, IA	0	0	0	0	4	2,970	9	225
	Combined Assessment Area Impact							
Total Qualified	158	64,485,000	2	760,000	48	48,985	81	1,667

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

STATE OF IOWA

CRA RATING FOR IOWA: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The CRA rating for the State of Iowa is Satisfactory. The rating is based on the institution's performance in the full-scope Cedar Rapids, Iowa MSA assessment area. The geographic distribution of loans throughout the assessment area is reasonable, as is the distribution of loans to borrowers of different income levels and to businesses and farms of different sizes. The bank's community development performance demonstrates adequate responsiveness to community development needs of its assessment area through community development loans, qualified investments, and services, considering the bank's capacity and the need and availability of such opportunities in the bank's assessment area.

SCOPE OF EXAMINATION

The bank's combined assessment area for Iowa consists of three separate assessment areas, including Cedar Rapids, Iowa MSA#16300; Non-MSA Delaware County, Iowa; and Non-MSA Wright County, Iowa. The Cedar Rapids, Iowa MSA was selected for a full-scope review, while both Non-MSA Delaware County, Iowa and Non-MSA Wright County, Iowa were evaluated under limited-scope reviews. The scope of these reviews is consistent with the Scope of Examination section of the performance evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN IOWA

For purposes of this review, the bank delineates three assessments areas in the state of Iowa: Cedar Rapids, Iowa MSA#16300; Non-MSA Delaware County, Iowa; and Non-MSA Wright County, Iowa. The bank maintains the main office in Manchester, as well as six branches in the state of Iowa. The bank sold three branches within the Non-MSA Wright County, Iowa assessment area in August 2019; the assessment area is included in this evaluation, however, will no longer be delineated as part of their operations in Iowa moving forward. Please see the individual assessment area summaries for demographic and economic conditions.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN IOWA

LENDING TEST

Farmers & Merchants Savings Bank's performance relative to the lending test in Iowa is rated Satisfactory based on the reasonable geographic distribution of loans and the reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes. See individual assessment area summary section for additional details.

Geographic and Borrower Distribution

The geographic distribution of loans throughout the assessment area contributing to the state rating is reasonable. Farmers & Merchants Savings Bank's performance relative to HMDA-reportable lending was reasonable, while the bank's lending to small businesses and small farm loans in LMI census tracts was excellent.

The distribution of loans to borrowers of different income levels and businesses and farms of different sizes in the state of Iowa is reasonable.

COMMUNITY DEVELOPMENT TEST

The bank's performance relative to the community development test is Satisfactory. Farmers & Merchants Savings Bank's community development performance demonstrates adequate responsiveness to community development loans, qualified investments and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

Lending, Investment, and Services Activities

The bank's community development lending, qualified investments and community development services demonstrate adequate responsiveness to community development needs throughout the state of Iowa, specifically in the Cedar Rapids, Iowa MSA assessment area. The table below presents the bank's total community development activities from February 6, 2017 through July 27, 2020.

	Community Development Activities February 6, 2017 – July 27, 2020							
Assessment Area	Loans		Investments		Donations		Services	
	#	\$	#	\$	#	\$	#	Hours
	Full Review							
Cedar Rapids, IA MSA #16300	145	61,964,000	3	37,250,000	37	42,375	42	682
	Limited Review							
Non-MSA Wright County	0	0	0	0	6	3,390	5	254
Non-MSA Delaware County	0	0	0	0	4	2,970	9	225
	Combined Assessment Area Impact							
Total Qualified	145	61,964,000	3	37,250,000	47	48,735	56	1,161

CEDAR RAPIDS, IOWA MSA #16300 - FULL REVIEW

SCOPE OF EXAMINATION

Full scope examination procedures were used to evaluate the bank's performance in the Cedar Rapids, Iowa MSA. The scope of examination is consistent with that described within the institution summary. For further information, please refer to the Scope of Examination section.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CEDAR RAPIDS, IOWA MSA #16300

The Cedar Rapids, Iowa MSA includes Benton, Linn, and Jones Counties, all within the state of Iowa. The bank has delineated a portion of the MSA as its assessment area including Linn and Jones Counties in their entirety. The assessment area delineation is unchanged since the previous evaluation and is comprised of 50 census tracts. Based on 2018 FFIEC Census data, the assessment area is composed of two low-income, 12 moderate-income, 29 middle-income, six upper-income, and one unknown-income census tracts.

As shown in the Census Tract Designation Changes table below, there were changes in the income designation of census tracts by income since the previous evaluation.

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2016 and 2017. Accordingly, lending activity that took place in calendar years up to and including 2016 are evaluated based on ACS income level definitions from the five-year survey data set 2006-2010. Lending activity performed in 2017 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2016 Designations (#)	2017 Designations (#)	Net Change (#)
Low	1	2	1
Moderate	12	12	0
Middle	27	29	2
Upper	10	6	-4
Unknown	0	1	1
Total	50	50	0
Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2006-2010 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2011-2015			

Within the assessment area, the bank operates four branch offices in Cedar Rapids, Anamosa, and Monticello. Since the previous evaluation, the bank closed the Westdale branch located in a middle-income census tract. Two of the branches are accompanied by ATMs; Anamosa operates a

full-service ATM, while the Cedar Rapids (1st Avenue) Branch operates a cash-only ATM. The downtown Cedar Rapids branch is located in a low-income census tract, the Anamosa branch is located in a moderate-income census tract, the Monticello branch is located in a middle-income census tract, and the Cedar Rapids 1st Avenue branch is located in an unknown-income census tract.

According to the June 30, 2019, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, Farmers & Merchants Savings Bank ranked seventh of 31 FDIC-insured financial institutions operating in the assessment area with 3.5 percent of market share. Leaders in market share include Cedar Rapids Bank and Trust Company at 20.1 percent, U.S Bank National Association at 14.6 percent, and Farmers State Bank at 11.6 percent. The 31 banks competing for deposits and loans with Farmers & Merchants Savings Bank have 86 offices in the assessment area. Additional assessment area demographic information is provided in the following table. Please refer to Appendix C for 2017 demographic information.

Assessment Area: 2018 Cedar Rapids, IA MSA 16300								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	4.0	700	1.2	241	34.4	11,321	18.8
Moderate-income	12	24.0	10,719	17.8	1,320	12.3	10,967	18.2
Middle-income	29	58.0	37,739	62.5	1,880	5.0	14,678	24.3
Upper-income	6	12.0	10,965	18.2	197	1.8	23,371	38.7
Unknown-income	1	2.0	214	0.4	99	46.3	0	0.0
Total Assessment Area	50	100.0	60,337	100.0	3,737	6.2	60,337	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	1,779	587	0.8	33.0	933	52.4	259	14.6
Moderate-income	21,809	12,278	17.4	56.3	7,637	35.0	1,894	8.7
Middle-income	64,082	44,912	63.6	70.1	14,433	22.5	4,737	7.4
Upper-income	14,299	12,758	18.1	89.2	1,120	7.8	421	2.9
Unknown-income	991	128	0.2	12.9	703	70.9	160	16.1
Total Assessment Area	102,960	70,663	100.0	68.6	24,826	24.1	7,471	7.3
	Total Businesses Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	434	3.9	359	3.7	73	6.7	2	1.4
Moderate-income	1,892	17.1	1,673	17.1	191	17.6	28	18.9
Middle-income	6,167	55.9	5,550	56.6	545	50.2	72	48.6
Upper-income	1,964	17.8	1,751	17.9	177	16.3	36	24.3
Unknown-income	580	5.3	470	4.8	100	9.2	10	6.8
Total Assessment Area	11,037	100.0	9,803	100.0	1,086	100.0	148	100.0
	Percentage of Total Businesses:			88.8		9.8		1.3
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	1	0.1	1	0.1	0	0.0	0	0.0
Moderate-income	16	2.3	16	2.4	0	0.0	0	0.0
Middle-income	551	80.7	545	80.5	3	100.0	3	100.0
Upper-income	113	16.5	113	16.7	0	0.0	0	0.0
Unknown-income	2	0.3	2	0.3	0	0.0	0	0.0
Total Assessment Area	683	100.0	677	100.0	3	100.0	3	100.0
	Percentage of Total Farms:			99.1		0.4		0.4
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

Population Characteristics

The table below presents the population trends for the assessment area compared to the MSA in its entirety and the state of Iowa from 2010 to 2015. According to the 2015 U.S. Census Bureau demographic data, the assessment area's population was 237,200, which represents an increase of 2.3 percent from 2010. This was slightly higher than the rate of population change in the entire Cedar Rapids, Iowa, MSA at 2.0 percent and the state of Iowa at 1.6 percent. Additionally, the population increased in Linn County by 2.5 and in Jones County by 0.4 percent. According to community representatives, the population increase within Linn County may be attributable to younger families from nearby Iowa City relocating to Cedar Rapids for lower housing costs. Additionally, another representative noted Jones County and similar neighboring counties contain smaller towns that lack larger employers, and as a result, these counties have experienced a migrating population in recent years.

Population Change 2010 and 2011-2015			
Area	2010 Population	2011-2015 Population	Percentage Change
Assessment Area	231,864	237,200	2.3
Jones County, IA	20,638	20,560	-0.4
Linn County, IA	211,226	216,640	2.5
Cedar Rapids, IA MSA	257,940	263,003	2.0
State of Iowa	3,046,355	3,093,526	1.6
<i>Source: 2006-2010 — U.S. Census Bureau: Decennial Census 2011-2015 — U.S. Census Bureau: Annual Population Estimates OR 2010 — U.S. Census Bureau: Decennial Census</i>			

Income Characteristics

According to the U.S. Census Bureau American Community Survey (ACS) Data, the assessment area is comprised of 60,337 families, of which 18.8 percent are designated as low-income, 18.2 percent are moderate-income, 24.3 percent are middle-income, and 38.7 percent are upper-income. Only 6.2 percent of families residing within the assessment area live below the poverty level, which is slightly lower than the state of Iowa poverty rate of 8.1 percent.

The following table compares the median family income (MFI) for the assessment area and the state of Iowa. According to the 2011-2015 Census Bureau data, MFI in the state of Iowa increased by 9.2 percent. Further, MFI increased among both assessment area counties. Jones County experienced the greatest increase in MFI of 11.8 percent, yet Linn County also experienced an increase of 11.2 percent. According to a community representative, the stability of skilled labor in concentrated sectors, such as manufacturing, professional services, and durable goods production, has contributed to higher wages within the metropolitan assessment area.

Median Family Income Change 2006-2010 and 2011-2015			
Area	2006-2010 Median Family Income (2010 Dollars)	2011-2015 Median Family Income (2015 Dollars)	Percentage Change
Assessment Area	68,114	75,673	11.1
Jones County, IA	59,167	66,158	11.8
Linn County, IA	69,250	77,036	11.2
Cedar Rapids, IA MSA	67,971	75,812	11.5
State of Iowa	61,804	67,466	9.2
Source: 2006-2010 — U.S. Census Bureau: American Community Survey 2011-2015 — U.S. Census Bureau: American Community Survey			

Bankruptcy Characteristics

Based on the Administrative Office of the U.S. Courts' bankruptcy filing rates, Linn County's bankruptcy filing rate has closely resembled the state of Iowa's from 2013 to 2016. Jones County, however, has been below the state's filing rate. In general, bankruptcy rates across the Cedar Rapids, Iowa MSA and the state of Iowa trended downwards from 2013 to 2016. Yet, Jones County bankruptcy filing rates stand out, as the county experienced a significant decrease in personal bankruptcy filing rates from 2013 to 2016.

Personal Bankruptcy Filing Rate (per 1,000 population)				
Area	2013	2014	2015	2016
Jones County, IA	1.6	0.9	1.0	0.5
Linn County, IA	1.9	1.6	1.5	1.3
Cedar Rapids, IA MSA	1.8	1.5	1.4	1.2
State of Iowa	1.8	1.6	1.4	1.3
Source: 2015 — Administrative Office of the U.S. Courts				

Housing Characteristics

There are 102,960 housing units in the assessment area. The majority of housing units are owner-occupied at 68.6 percent, while 24.1 percent are rental and 7.3 percent are vacant units. In comparison to the state of Iowa, the assessment area has a slightly higher percentage of owner-occupied units and slightly less rental and vacant units.

The following table presents recent trends in housing costs within the assessment area, the MSA in its entirety, and the state of Iowa. According to the 2011-2015 ACS data, the assessment area had a median housing value of \$146,450 and median gross rent value of \$687. During the same period, the state of Iowa had a median housing value of \$129,200 and median gross rent value of \$697. The

state of Iowa experienced an increase in median housing value of 8.4 percent, and an increase in median gross rent of 13.0 percent from 2010. While the median housing value increase is in line with the assessment area increase, the median rent increase was just above the rent increase for the assessment area.

While the median housing values within the assessment area counties are higher than the state of Iowa, Linn County is driving the difference, as the median housing value stands at \$147,400, compared to \$129,300 in Jones County. According to a community representative, the higher housing values in Linn County may be attributable to greater demand for affordable homes. Also contributing to the limited stock of affordable housing is the older housing stock in downtown Cedar Rapids, most of which requires high rehabilitation costs to be habitable, according to a community representative. Furthermore, the community representative stated the downtown Cedar Rapids area is still recovering from the housing loss resulting from the 2008 and 2016 floods.

A common method to compare relative affordability of housing across geographic areas is the affordability ratio, which is defined in Appendix D. A higher ratio supports more affordable housing opportunities. Based on the 2011-2015 U.S. Census Bureau ACS data, the affordability ratio for the assessment area was 0.40, as compared to the state of Iowa's ratio of 0.41. Of the geographies within the bank's assessment area, Jones County is most affordable at 0.43. Overall, the ratios indicate that housing costs in the assessment area are generally similar to the state of Iowa as a whole.

Trends in Housing Costs 2006-2010 and 2011-2015							
Area	Median Housing Value			Median Gross Rent			Affordability Ratio 2011-2015
	2006- 2010	2011- 2015	% Change	2006- 2010	2011- 2015	% Change	
Assessment Area	134,323	146,450	8.3	619	687	9.9	0.40
Jones County, IA	106,900	129,300	21.0	607	599	-1.3	0.43
Linn County, IA	136,400	147,400	8.1	620	695	12.1	0.40
Cedar Rapids, IA MSA	133,851	146,011	9.1	610	681	11.6	0.40
State of Iowa	119,200	129,200	8.4	617	697	13.0	0.41
Source: 2006-2010— U.S. Census Bureau: American Community Survey 2011-2015—U.S. Census Bureau: American Community Survey							

Foreclosure Inventory Rates

The Federal Reserve Bank of Chicago conducted a study on the changes in the foreclosure inventory rate at the county level. The foreclosure inventory rate measures the number of residential properties in some phase of foreclosure. It excludes properties that have completed the foreclosure cycle.

Foreclosure inventory rates in the state and assessment area counties have declined since the previous evaluation. As of July 2018, the state of Iowa's foreclosure inventory rate at 0.7 percent was comparable to the foreclosure inventory rates of Jones and Linn Counties at 0.7 and 0.6 percent, respectively. The lower percentage of properties in the process of foreclosure indicates general housing sector improvements within the assessment area and state of Iowa.

Employment Characteristics

The following table presents the unemployment trends for the assessment area counties, the Cedar Rapids, Iowa MSA, and the state of Iowa from 2013 to 2016. The assessment area, the MSA, and the state of Iowa saw declining unemployment rates from 2013 through 2016. Linn County's unemployment rate is most comparable to the state of Iowa, while Jones County has consistently seen higher unemployment rates compared to the state. Community representatives anticipate unemployment rates will rise after 2019 because of the COVID-19 pandemic. Community representatives believe the diversity of industries concentrated in Linn County (see *Industry Characteristics* section) allows the metropolitan area to provide more stable employment conditions in comparison to neighboring, rural counties such as Jones County or Benton County.

Unemployment Rates				
Area	2013	2014	2015	2016
Jones County, IA	5.5	5.1	4.3	4.3
Linn County, IA	4.8	4.6	3.9	3.7
Cedar Rapids, IA MSA	4.9	4.6	3.9	3.8
State of Iowa	4.6	4.4	3.8	3.7
Source: Bureau of Labor Statistics: Local Area Unemployment Statistics (LAUS)				

Industry Characteristics

The information presented in the table below indicates a majority of the largest employers in the assessment area are located in Linn County. Moreover, the employment base in Linn County covers multiple industries with the largest representation in manufacturing; construction; goods production; information technology; financial services; and trade, transportation, and utilities. The employment base in Jones County is mostly concentrated in durable goods production; manufacturing; natural resources and mining; trade, transportation and utilities; and construction.

Largest Employers in the Assessment Area			
Company	County	Industry	# of Employees
Collins Aerospace	Linn	Aerospace & Industrial	8,000
Trans America	Linn	Insurance	3,500
CRST International Inc.	Linn	Trucking-Motor Freight	3,000
Mercy Medical Center	Linn	Hospitals	3,000
CRST Expedited	Linn	Trucking-Motor Freight	2,700
Aegon USA Investment Mgmt Inc.	Linn	Investment Management	2,600
St Lukes Methodist Hospital	Linn	Health Services	2,500
Unity point Health-St Luke's	Linn	Hospitals	2,288
Kirkwood Eagles	Linn	Junior-Community College-Tech Institutes	2,000
Source: Infogroup®, Omaha, NE			

Community Representatives

Two community representatives from affordable housing and economic development organizations were contacted to provide information regarding local economic and demographic conditions. The representatives provided information on housing, employment, and economic development needs within the assessment area. A representative stated there is a need for financial literacy, namely first time homebuyer education and small business assistance. In addition, both representatives noted a need for affordable housing within the metropolitan area, citing on-going challenges due to high housing costs, outdated communications infrastructure, and an old housing stock, some of which contained asbestos and were directly impacted by the floods in the last decade. The contacts believe financial institutions within the counties are involved, but could further support their community by offering more innovative products with lower down payment requirements. Lastly, the representatives remarked on the impact of floods in the last decade. In particular both agree the downtown area, which was negatively impacted by the 2008 and 2016 floods, is in need of significant infrastructure investments.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CEDAR RAPIDS, IOWA MSA #16300

LENDING TEST

Geographic Distribution of Loans

The geographic distribution for the Cedar Rapids, Iowa MSA assessment area is reasonable. Based on the analysis, there appear to be no conspicuous geographic lending gaps in the assessment area. The bank's performance with respect to small business lending carried more weight in the analysis based on their commercial lending portfolio. For 2017 and 2018, home purchase and refinance loans will be the primary focus of HMDA-reportable loans in the evaluation; based on low loan volumes, home improvement and multi-family loans will not be discussed.

HMDA-Reportable Loans

The bank's geographic distribution of HMDA-reportable lending is reasonable. In 2018, the bank originated HMDA-reportable loans in 29 (58.0 percent) of the 50 census tracts in the assessment area, and similarly in 2017, originated HMDA-reportable loans in 34 (68.0 percent) of the 50 census tracts. Further, in 2018 the bank originated HMDA-reportable loans in both of the low-income census tracts and five of 12 (41.7 percent) moderate-income census tracts. In 2017, the bank originated loans in one of the two (50.0 percent) low-income census tracts and nine of 12 (75.0 percent) moderate-income census tracts.

Home Purchase

In 2018, home purchase loans represented 60.0 percent of the bank's total HMDA-reportable loans in the assessment area. Farmers & Merchants Savings Bank originated 4.4 percent of its home purchase loans in low-income census tracts. The bank's performance is above the aggregate at 1.5 percent and the 0.8 percent of owner-occupied units. The bank originated 4.4 percent of its home purchase loans in moderate-income census tracts. The bank's performance is significantly below the aggregate at 19.6 percent and the 17.4 percent of owner-occupied units. Overall, home purchase loans to low and moderate census tracts comprises only 8.8 percent of the total home purchase loans in the assessment area in 2018. This is significantly less than the aggregate at 21.1 percent.

The majority of the bank's home purchase loans were originated in middle-income census tracts at 73.3 percent, which is above both the aggregate at 56.0 percent and the demographic at 63.6 percent of owner-occupied units. Lastly, the bank originated 17.8 percent of its home purchase loans in upper-income census tracts, which was slightly below the aggregate at 22.7 percent but consistent with the 18.1 percent of owner-occupied units located in upper-income census tracts.

The bank's home purchase performance in 2017 exceeded the bank's performance in 2018. Lending to the low-income tracts was consistent with both aggregate performance and the demographic figure, while lending in the moderate-income tracts exceeded both the aggregate performance and demographic figure. Please refer to Appendix C for the 2017 geographic distribution table.

Refinance

In 2018, refinance loans represented 37.3 percent of the bank's total HMDA-reportable loans in the assessment area. Although the bank did not originate any refinance loans in the low-income census tracts, the bank's performance is comparable to the aggregate at 0.9 percent and the 0.8 percent of owner-occupied units. The bank originated 21.4 percent of its refinance loans in moderate-income census tracts, which is slightly above both the aggregate at 16.5 percent and the 17.4 percent of owner-occupied units.

Similar to home purchase, the majority of the bank's refinance loans were originated in middle-income tracts. The bank originated 60.7 percent of its refinance loans in middle-income census tracts, which is comparable to both the aggregate at 60.4 percent and the 63.6 percent of owner-occupied units. Lastly, the bank originated 17.9 percent of its refinance loans in upper-income census tracts, which was also comparable to both the aggregate at 22.1 percent and the 18.1 percent of owner-occupied units located in upper-income census tracts.

The geographic distribution of HMDA-reportable refinance loans in 2017 was consistent with the pattern of lending in 2018. Please refer to Appendix C for the 2017 geographic distribution table.

The following table summarizes the bank's 2018 HMDA-reportable lending in the assessment area.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2018 Cedar Rapids, IA MSA 16300								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2018						
		Count Bank		Agg	Dollar Bank		Agg	
#	%	%	\$ (000s)	\$ %	\$ %			
Home Purchase	Low	2	4.4	1.5	329	4.6	1.2	0.8
	Moderate	2	4.4	19.6	88	1.2	12.8	17.4
	Middle	33	73.3	56.0	4,960	69.6	55.8	63.6
	Upper	8	17.8	22.7	1,747	24.5	30.1	18.1
	Unknown	0	0.0	0.2	0	0.0	0.1	0.2
	Total	45	100.0	100.0	7,124	100.0	100.0	100.0
Refinance	Low	0	0.0	0.9	0	0.0	1.1	0.8
	Moderate	6	21.4	16.5	488	15.1	10.8	17.4
	Middle	17	60.7	60.4	2,287	70.9	58.9	63.6
	Upper	5	17.9	22.1	452	14.0	29.1	18.1
	Unknown	0	0.0	0.1	0	0.0	0.0	0.2
	Total	28	100.0	100.0	3,227	100.0	100.0	100.0
Home Improvement	Low	0	0.0	0.7	0	0.0	1.1	0.8
	Moderate	0	0.0	16.2	0	0.0	11.5	17.4
	Middle	1	100.0	61.0	33	100.0	62.6	63.6
	Upper	0	0.0	21.4	0	0.0	23.7	18.1
	Unknown	0	0.0	0.7	0	0.0	1.1	0.2
	Total	1	100.0	100.0	33	100.0	100.0	100.0
Multi-Family	Low	1	100.0	9.6	93	100.0	8.3	Multi-Family
	Moderate	0	0.0	18.1	0	0.0	5.4	
	Middle	0	0.0	59.6	0	0.0	77.2	
	Upper	0	0.0	7.4	0	0.0	7.2	
	Unknown	0	0.0	5.3	0	0.0	1.8	
	Total	1	100.0	100.0	93	100.0	100.0	
Other Purpose LOC	Low	0	0.0	0.2	0	0.0	0.0	0.8
	Moderate	0	0.0	17.4	0	0.0	10.6	17.4
	Middle	0	0.0	58.5	0	0.0	58.3	63.6
	Upper	0	0.0	23.8	0	0.0	31.1	18.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.2
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt	Low	0	0.0	0.7	0	0.0	1.0	0.8
	Moderate	0	0.0	18.5	0	0.0	13.0	17.4
	Middle	0	0.0	54.7	0	0.0	54.3	63.6
	Upper	0	0.0	26.1	0	0.0	31.7	18.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.2
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Loan Purpose Not Applicable	Low	0	0.0	1.0	0	0.0	0.7	0.8
	Moderate	0	0.0	16.8	0	0.0	13.2	17.4
	Middle	0	0.0	61.6	0	0.0	61.6	63.6
	Upper	0	0.0	20.0	0	0.0	24.3	18.1
	Unknown	0	0.0	0.6	0	0.0	0.2	0.2
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	3	4.0	1.3	422	4.0	1.7	0.8
	Moderate	8	10.7	18.5	576	5.5	11.7	17.4
	Middle	51	68.0	57.6	7,280	69.5	58.6	63.6
	Upper	13	17.3	22.4	2,199	21.0	27.8	18.1
	Unknown	0	0.0	0.2	0	0.0	0.2	0.2
	Total	75	100.0	100.0	10,477	100.0	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Small Business Loans

The geographic distribution of small business loans is reasonable throughout the assessment area. The 2019 sample includes 68 loans within the assessment area. Of the sample, 7.4 percent were originated in low-income census tracts, which exceeded the percentage of businesses located in low-income census tracts at 4.3 percent and reflects well on the bank. Moreover, the bank originated 16.2 percent of the sample in moderate-income census tracts, which compared to the percentage of businesses located in moderate-income census tracts at 17.5 percent.

By number volume, the bank originated 23.6 percent of small business loans in LMI census tracts, and by dollar volume, the bank originated 24.1 percent of loans in LMI census tracts. This is comparable to the 21.8 percent of small businesses in the assessment area located in LMI census tracts.

The following table presents the bank's geographic distribution of small business loans in 2019.

Geographic Distribution of Small Business Loans						
Assessment Area: 2019 Cedar Rapids, IA MSA 16300						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		2019 Dollar Bank		Total Businesses
		#	%	\$ 000s	\$ %	
Small Business	Low	5	7.4	1,905	14.7	4.3
	Moderate	11	16.2	1,210	9.4	17.5
	Middle	37	54.4	6,570	50.8	55.5
	Upper	15	22.1	3,244	25.1	17.5
	Unknown	0	0.0	0	0.0	5.2
	Total	68	100.0	12,928	100.0	100.0
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS						
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>						

Small Farm Loans

The geographic distribution of small farm loans is reasonable throughout the assessment area. The 2019 sample includes 26 loans originated within the assessment area. Of the sample, zero were originated in low-income census tracts. However, the bank originated three loans to moderate-income census tracts. Accordingly, loans in LMI census tracts represented 11.5 percent of all small farms loans originated in the assessment area. When compared to the 2.5 percent of farms located in LMI census tracts, the bank's performance is reasonable in light of the demographic conditions of the assessment area.

The following table presents the bank's geographic distribution of small farm loans in 2019.

Geographic Distribution of Small Farm Loans						
Assessment Area: 2019 Cedar Rapids, IA MSA 16300						
	Tract Income Levels	Bank & Demographic Comparison				
		2019				Total Farms
		Count Bank		Dollar Bank		
		#	%	\$ 000s	\$ %	
Small Farm	Low	0	0.0	0	0.0	0.2
	Moderate	3	11.5	47	2.2	2.3
	Middle	22	84.6	1,983	92.0	81.2
	Upper	1	3.8	125	5.8	16.0
	Unknown	0	0.0	0	0.0	0.3
	Total	26	100.0	2,155	100.0	100.0
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS						
Note: Percentages may not add to 100.0 percent due to rounding						

Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes

The bank's lending to individuals of different income levels and businesses and farms of different sizes is reasonable. The bank's performance with respect to small business lending carried more weight in the analysis given their commercial loan portfolio. For 2017 and 2018, home purchase and refinance loans will be the primary focus of HMDA-reportable loans in the evaluation; based on low loan volumes, home improvement and multi-family loans will not be discussed.

HMDA-Reportable Loans

The borrower distribution of HMDA-reportable loans to individuals of different income levels is poor. However, the bank's HMDA data contains a large number of loans to borrowers with unknown income levels. The high volume of loans originated to borrowers of unknown income could be indicative of loans originated to businesses, which report revenue and are not required to report income. Nonetheless, the presence of numerous loans to borrowers with unknown income affects the bank's lending performance with respect to low-or moderate-income borrowers.

In 2018, Farmers & Merchants Savings Bank originated 4.0 percent of their total HMDA-reportable loans to low-income borrowers, significantly below both the aggregate at 12.7 percent and the demographic percentage of low-income families in the assessment area at 18.8 percent. The bank originated 10.7 percent of HMDA-reportable loans to moderate-income borrowers, which was also significantly less than the aggregate at 21.8 percent and the demographic percentage of moderate-income families in the assessment area at 18.2 percent. Farmers & Merchants Savings Bank originated 16.0 percent of HMDA-reportable loans to middle-income

borrowers, slightly less than the aggregate and the demographic at 21.4 percent and 24.3 percent, respectively. Conversely, the bank originated 45.3 percent of HMDA-reportable loans to upper-income borrowers, significantly exceeding the aggregate at 27.5 percent and above the percentage of upper-income families in the assessment area at 38.7 percent. Lastly, the bank originated 24.0 percent of HMDA-reportable loans to borrowers with unknown income, which exceeds the aggregate at 16.7 percent.

Compared to 2018, the bank's performance in 2017 was below the bank's performance in 2018. Please refer to Appendix C for the 2017 borrower distribution lending table.

Home Purchase

In 2018, the bank originated 2.2 percent of their home purchase loans to low-income borrowers, which was significantly below the aggregate lenders' percentage of 14.3 and notably less than the percentage of low-income families at 18.8 percent. Further, the bank originated 15.6 percent of its HMDA-reportable loans to moderate-income borrowers, and while this was below the aggregate at 23.9 percent, it was comparable to the demographic percentage of moderate-income families at 18.2 percent. Farmers & Merchants Savings Bank originated 13.3 percent of HMDA-reportable loans to middle-income borrowers, which was also below the aggregate and the demographic at 21.4 percent and 24.3 percent, respectively. The bank originated 42.2 percent of its HMDA-reportable loans to upper-income borrowers, which was well above the aggregate 24.8 percent but comparable to the demographic at 38.7 percent. Lastly, 27.6 percent of the bank's HMDA-reportable loans were originated to borrowers of unknown income, which exceeded the aggregate at 15.6 percent.

The borrower distribution of HMDA-reportable home purchase loans in 2017 was below the bank's performance in 2018. Please refer to Appendix C for the 2017 borrower distribution table.

Refinance

In 2018, Farmers & Merchants Savings Bank originated 7.1 percent of refinance loans to low-income borrowers, which was slightly below the aggregate lenders' percentage of 11.2 and well below the 18.8 percent of low-income families located in the assessment area. The bank originated 3.6 percent of its refinance loans to moderate-income borrowers, which was also significantly below the aggregate lenders' percentage of 21.0 percent and the demographic percentage of moderate-income families at 18.2 percent. The bank's performance with middle-income families in the assessment area at 21.4 percent was consistent with the aggregate at 22.1 percent and the demographic at 24.3. Farmers & Merchants Savings Bank originated a majority, 50.0 percent, of its refinance loans to upper-income borrowers, which was significantly above the aggregate and the demographic at 31.3 percent and 38.7 percent, respectively. The bank originated 17.9 percent of refinance loans to borrowers with unknown-income, slightly above the aggregate at 14.4 percent.

The borrower distribution of HMDA-reportable refinance loans in 2017 was consistent with the bank's performance in 2018. Please refer to Appendix C for the 2017 borrower distribution table.

The following table summarizes the bank's 2018 HMDA-reportable lending in the assessment area.

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2018 Cedar Rapids, IA MSA 16300								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2018						
		Count Bank		Agg %	Dollar Bank		Agg %	
#	%	%	\$(000s)	\$ %	\$ %			
Home Purchase	Low	1	2.2	14.3	188	2.6	8.4	18.8
	Moderate	7	15.6	23.9	1,067	15.0	17.9	18.2
	Middle	6	13.3	21.4	661	9.3	21.2	24.3
	Upper	19	42.2	24.8	3,377	47.4	34.4	38.7
	Unknown	12	26.7	15.6	1,831	25.7	18.1	0.0
	Total	45	100.0	100.0	7,124	100.0	100.0	100.0
Refinance	Low	2	7.1	11.2	59	1.8	6.6	18.8
	Moderate	1	3.6	21.0	61	1.9	15.7	18.2
	Middle	6	21.4	22.1	1,042	32.3	20.8	24.3
	Upper	14	50.0	31.3	1,662	51.5	38.9	38.7
	Unknown	5	17.9	14.4	403	12.5	18.0	0.0
	Total	28	100.0	100.0	3,227	100.0	100.0	100.0
Home Improvement	Low	0	0.0	11.5	0	0.0	7.8	18.8
	Moderate	0	0.0	18.3	0	0.0	13.2	18.2
	Middle	0	0.0	24.0	0	0.0	21.2	24.3
	Upper	1	100.0	39.7	33	100.0	46.3	38.7
	Unknown	0	0.0	6.5	0	0.0	11.5	0.0
	Total	1	100.0	100.0	33	100.0	100.0	100.0
Multi-Family	Low	0	0.0	1.1	0	0.0	0.1	18.8
	Moderate	0	0.0	2.1	0	0.0	0.1	18.2
	Middle	0	0.0	0.0	0	0.0	0.0	24.3
	Upper	0	0.0	2.1	0	0.0	0.2	38.7
	Unknown	1	100.0	94.7	93	100.0	99.6	0.0
	Total	1	100.0	100.0	93	100.0	100.0	100.0
Other Purpose LOC	Low	0	0.0	9.8	0	0.0	5.4	18.8
	Moderate	0	0.0	19.4	0	0.0	12.2	18.2
	Middle	0	0.0	26.4	0	0.0	19.0	24.3
	Upper	0	0.0	43.4	0	0.0	59.2	38.7
	Unknown	0	0.0	1.1	0	0.0	4.3	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt	Low	0	0.0	11.6	0	0.0	7.5	18.8
	Moderate	0	0.0	21.0	0	0.0	17.5	18.2
	Middle	0	0.0	28.3	0	0.0	20.3	24.3
	Upper	0	0.0	34.4	0	0.0	49.4	38.7
	Unknown	0	0.0	4.7	0	0.0	5.3	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Loan Purpose Not Applicable	Low	0	0.0	1.0	0	0.0	0.9	18.8
	Moderate	0	0.0	1.6	0	0.0	1.8	18.2
	Middle	0	0.0	0.6	0	0.0	0.5	24.3
	Upper	0	0.0	0.0	0	0.0	0.0	38.7
	Unknown	0	0.0	96.8	0	0.0	96.9	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	3	4.0	12.7	247	2.4	7.1	18.8
	Moderate	8	10.7	21.8	1,128	10.8	15.4	18.2
	Middle	12	16.0	21.4	1,703	16.3	18.9	24.3
	Upper	34	45.3	27.5	5,072	48.4	32.8	38.7
	Unknown	18	24.0	16.7	2,327	22.2	25.9	0.0
	Total	75	100.0	100.0	10,477	100.0	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Small Business Loans

The distribution of loans to businesses of different sizes is reasonable. The 2019 sample included 68 small business loans, of which 42.6 percent were originated to businesses with gross revenues equal to or less than \$1 million. This is low in comparison to the demographic measure of total small businesses in the assessment area at 89.1 percent. However, within the 29 loans originated to small businesses, 62.1 percent of the loans were in amounts of \$100,000 or less; these loans are generally considered the most beneficial to small businesses, indicating the bank's willingness to meet the credit needs of small businesses. While the bank's performance is below the total businesses located within the assessment area, high competition within the metropolitan area provides challenges for the bank to be able to increase its small business lending.

The following table presents the bank's borrower distribution of small business loans in 2019.

Small Business Lending By Revenue & Loan Size								
Assessment Area: 2019 Cedar Rapids, IA MSA 16300								
Product Type		Bank & Demographic Comparison						
		2019				Total Businesses %		
		Count Bank		Dollar Bank				
		#	%	\$ 000s	\$ %			
Small Business	Revenue	\$1 Million or Less	29	42.6	4,082	31.6	89.1	
		Over \$1 Million or Unknown	39	57.4	8,846	68.4	10.9	
		Total	68	100.0	12,928	100.0	100.0	
	Loan Size	\$100,000 or Less	34	50.0	1,371	10.6		
		\$100,001 - \$250,000	15	22.1	2,551	19.7		
		\$250,001 - \$1 Million	19	27.9	9,006	69.7		
		Total	68	100.0	12,928	100.0		
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	18	62.1	632	15.5		
		\$100,001 - \$250,000	5	17.2	697	17.1		
		\$250,001 - \$1 Million	6	20.7	2,753	67.4		
		Total	29	100.0	4,082	100.0		
Originations & Purchases								
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

Small Farm Loans

The distribution of loans to farms of different sizes is reasonable. The 2019 sample included 26 loans to farms, of which 76.9 percent were to farms with gross revenues equal to or less than \$1 million. Although this is below the demographic composition of small farms in the assessment area at 99.2 percent. Of the 20 small farm loans, 75.0 percent were in an amount equal to or less than \$100,000, which are considered most beneficial to small farms, thus indicating the bank's willingness to meet the credit needs of small farms.

The following table presents the bank's borrower distribution of small farm loans in 2019.

Small Farm Lending By Revenue & Loan Size							
Assessment Area: 2019 Cedar Rapids, IA MSA 16300							
Product Type		Bank & Demographic Comparison					
		2019				Total Farms	
		Count Bank		Dollar Bank			
#	%	\$ 000s	\$ %	%			
Small Farm	Revenue	\$1 Million or Less	20	76.9	1,521	70.6	99.2
		Over \$1 Million or Unknown	6	23.1	634	29.4	0.8
		Total	26	100.0	2,155	100.0	100.0
	Loan Size	\$100,000 or Less	19	73.1	667	31.0	
		\$100,001 - \$250,000	5	19.2	838	38.9	
		\$250,001 - \$500,000	2	7.7	650	30.2	
		Total	26	100.0	2,155	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	15	75.0	577	37.9	
		\$100,001 - \$250,000	4	20.0	644	42.3	
		\$250,001 - \$500,000	1	5.0	300	19.7	
		Total	20	100.0	1,521	100.0	
Originations & Purchases							
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS							
Note: Percentages may not add to 100.0 percent due to rounding							

COMMUNITY DEVELOPMENT TEST

The bank's community development performance demonstrates adequate responsiveness to community development needs of its assessment area through community development loans, qualified investments and community development services, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area. In particular, the bank made numerous loans to revitalize and stabilize LMI communities, invested in critical infrastructure development projects for the downtown area of Cedar Rapids, and in various instances endeavored to teach financial literacy to the assessment

area's younger population, a need identified by a community representative. Much of the increase in activity can be attributed to the different evaluation periods for community development activity under review. This evaluation period consisted of 42 months, whereas the previous evaluation's period as only 25 months.

Lending

During this evaluation period, the bank originated 145 qualified loans totaling approximately \$62 million for the community development purposes of economic development and activities that revitalize and stabilize within the assessment area. When accounting for the different lengths in evaluation periods, the bank increased community development lending in the assessment area since the previous evaluation period in which the bank qualified 26 community development loans totaling \$19.6 million.

Investments

The bank made two new investments during the evaluation period totaling approximately \$760,000. While both investments were especially responsive to the needs of the assessment area, the bank's purchase of Cedar Rapids 2017A and 2017B general obligation bonds stands out as they directly support the development of critical infrastructure (roads, communications systems, restoration of abandoned buildings, among other things) in downtown Cedar Rapids. According to community representatives, this area has consistently sustained damage from repeat flooding in the last decade. The bank's performance is consistent with the previous evaluation, where the bank made two qualified investments, totaling \$1.1 million; however, taking into account the longer evaluation period at this exam, investment activity was lower than the previous evaluation. In addition, the bank made 37 qualified donations, totaling approximately \$42,375, to community organizations with a focus on community services that benefit LMI individuals, economic development and engaging in activities that revitalize or stabilize an underserved area in the assessment area. The bank increased their contributions during the evaluation period in comparison to the previous evaluation where the bank made ten qualified donations totaling \$30,633; however, taking into account the longer evaluation period at this exam, donation activity was lower than the previous evaluation.

Services

During the evaluation period, bank staff provided 682 hours of community development services. Of the total number of service hours, 51.3 percent were dedicated to organizations that support economic development, while 45.7 percent of service hours were dedicated to organizations with a community service focus for LMI individuals. When accounting for the different lengths in evaluation periods, this is a considerable increase from the previous evaluation, where the bank qualified 104 total hours. In addition, the bank operates one branch in a low-income census tract of Linn County (downtown Cedar Rapids), and operates another branch in a moderate-income

census tract of Jones County (Anamosa).

Summary of CD Activities, Review Period (February 06, 2017 – July 27, 2020)										
Type of Activity	Affordable Housing		Economic Development		Activities that Revitalize/Stabilize		Community Services		Totals	
	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours
Lending	0	0	1	10,000	144	61,954,000	0	0	145	61,964,000
Investment	0	0	0	0	2	760,000	0	0	2	760,000
Donations	0	0	6	12,500	6	8,220	21	18,929	37	42,375
Services	0	0	9	350	2	20	31	312	42	682

NON-MSA WRIGHT COUNTY, IOWA – LIMITED REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NON-MSA WRIGHT COUNTY, IOWA

Farmers & Merchants Savings Bank's Non-MSA Wright County, Iowa assessment area consists of the entirety of Wright County. Although the assessment area remains unchanged since the previous examination, as of August 2019, the bank has sold its three branches that operated within the assessment. The assessment area is composed of five census tracts; all five tracts are designated as middle-income census tracts.

As shown in the Census Tract Designation Changes table below, there were changes in the distribution of census tracts by income since the previous evaluation.

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2016 and 2017. Accordingly, lending activity that took place in calendar years up to and including 2016 are evaluated based on ACS income level definitions from the five-year survey data set 2006-2010. Lending activity performed in 2017 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2016 Designations (#)	2017 Designations (#)	Net Change (#)
Low	0	0	0
Moderate	0	0	0
Middle	5	5	0
Upper	0	0	0
Unknown	0	0	0
Total	5	5	0
Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2006-2010 U.S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015			

Within the assessment area, the bank operated three full service branches in Eagle Grove, Goldfield, and Clarion, Iowa. Eagle Grove also operated a limited service drive-thru branch with an ATM. Since the last exam, the bank sold and closed all of the branches in Wright County and as of August 16, 2019, Wright County is no longer included as part of the combined assessment area.

According to the June 30, 2019, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, Farmers & Merchants Savings Bank ranked second with 20.1 percent market share among seven FDIC-insured financial institutions operating within the assessment area. Other leaders in market share include First Citizens Bank at 29.7 percent, First State Bank at 17.8 percent,

and GNB Bank at 14.0 percent. The seven banks competing for deposits and loans with Farmers & Merchants Savings Bank operate 10 offices in the assessment area.

Assessment Area: 2018 IA Non MSA Wright County								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	685	20.2
Moderate-income	0	0.0	0	0.0	0	0.0	715	21.1
Middle-income	5	100.0	3,390	100.0	233	6.9	694	20.5
Upper-income	0	0.0	0	0.0	0	0.0	1,296	38.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	5	100.0	3,390	100.0	233	6.9	3,390	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	6,510	4,140	100.0	63.6	1,355	20.8	1,015	15.6
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	6,510	4,140	100.0	63.6	1,355	20.8	1,015	15.6
	Total Businesses Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	623	100.0	545	100.0	62	100.0	16	100.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	623	100.0	545	100.0	62	100.0	16	100.0
	Percentage of Total Businesses:			87.5		10.0		2.6
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	180	100.0	178	100.0	2	100.0	0	0.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	180	100.0	178	100.0	2	100.0	0	0.0
	Percentage of Total Farms:			98.9		1.1		0.0
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-MSA WRIGHT COUNTY, IOWA

LENDING TEST

Farmers & Merchants Savings Bank's lending performance in the Non-MSA Wright County, Iowa assessment area is consistent with the bank's lending performance in the Cedar Rapids, Iowa MSA and the state of Iowa.

There is no analysis for small business and small farm lending given the bank removed the Non-MSA Wright County, Iowa assessment area from its combined assessment area in 2019.

Geographic Distribution of Loans

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2018 IA Non MSA Wright County								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2018				Agg \$ %		
		Count Bank		Dollar Bank				
		#	%	Agg %	\$ (000s)	\$ %		
Home Purchase	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	10	100.0	98.8	681	100.0	98.3	100.0
	Upper	0	0.0	0.0	0	0.0	0.0	0.0
	Unknown	0	0.0	1.2	0	0.0	1.7	0.0
	Total	10	100.0	100.0	681	100.0	100.0	100.0
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	17	100.0	98.1	1,019	100.0	99.4	100.0
	Upper	0	0.0	0.0	0	0.0	0.0	0.0
	Unknown	0	0.0	1.9	0	0.0	0.6	0.0
	Total	17	100.0	100.0	1,019	100.0	100.0	100.0
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	0	0.0	100.0	0	0.0	100.0	100.0
	Upper	0	0.0	0.0	0	0.0	0.0	0.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	Multi-Family 0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	
	Middle	5	100.0	100.0	480	100.0	100.0	
	Upper	0	0.0	0.0	0	0.0	0.0	
	Unknown	0	0.0	0.0	0	0.0	0.0	
	Total	5	100.0	100.0	480	100.0	100.0	100.0
Other Purpose LOC	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	0	0.0	100.0	0	0.0	100.0	100.0
	Upper	0	0.0	0.0	0	0.0	0.0	0.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	0	0.0	100.0	0	0.0	100.0	100.0
	Upper	0	0.0	0.0	0	0.0	0.0	0.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Loan Purpose Not Applicable	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	0	0.0	100.0	0	0.0	100.0	100.0
	Upper	0	0.0	0.0	0	0.0	0.0	0.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	32	100.0	98.8	2,180	100.0	98.9	100.0
	Upper	0	0.0	0.0	0	0.0	0.0	0.0
	Unknown	0	0.0	1.2	0	0.0	1.1	0.0
	Total	32	100.0	100.0	2,180	100.0	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2018 IA Non MSA Wright County								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2018						
		Count Bank		Agg %	Dollar Bank		Agg %	
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	1	10.0	14.0	45	6.6	10.0	20.2
	Moderate	2	20.0	25.6	97	14.2	22.0	21.1
	Middle	3	30.0	23.3	89	13.1	22.9	20.5
	Upper	4	40.0	27.9	450	66.1	34.4	38.2
	Unknown	0	0.0	9.3	0	0.0	10.7	0.0
	Total	10	100.0	100.0	681	100.0	100.0	100.0
Refinance	Low	1	5.9	5.7	12	1.2	2.5	20.2
	Moderate	4	23.5	26.4	162	15.9	19.8	21.1
	Middle	3	17.6	20.8	183	18.0	21.0	20.5
	Upper	5	29.4	34.0	316	31.0	41.1	38.2
	Unknown	4	23.5	13.2	346	34.0	15.6	0.0
	Total	17	100.0	100.0	1,019	100.0	100.0	100.0
Home Improvement	Low	0	0.0	16.7	0	0.0	10.6	20.2
	Moderate	0	0.0	16.7	0	0.0	19.6	21.1
	Middle	0	0.0	41.7	0	0.0	39.4	20.5
	Upper	0	0.0	16.7	0	0.0	5.1	38.2
	Unknown	0	0.0	8.3	0	0.0	25.3	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	20.2
	Moderate	0	0.0	0.0	0	0.0	0.0	21.1
	Middle	0	0.0	0.0	0	0.0	0.0	20.5
	Upper	1	20.0	20.0	57	11.9	11.9	38.2
	Unknown	4	80.0	80.0	423	88.1	88.1	0.0
	Total	5	100.0	100.0	480	100.0	100.0	100.0
Other Purpose LOC	Low	0	0.0	0.0	0	0.0	0.0	20.2
	Moderate	0	0.0	0.0	0	0.0	0.0	21.1
	Middle	0	0.0	100.0	0	0.0	100.0	20.5
	Upper	0	0.0	0.0	0	0.0	0.0	38.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt	Low	0	0.0	0.0	0	0.0	0.0	20.2
	Moderate	0	0.0	16.7	0	0.0	21.5	21.1
	Middle	0	0.0	50.0	0	0.0	41.0	20.5
	Upper	0	0.0	33.3	0	0.0	37.5	38.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Loan Purpose Not Applicable	Low	0	0.0	0.0	0	0.0	0.0	20.2
	Moderate	0	0.0	11.1	0	0.0	17.1	21.1
	Middle	0	0.0	0.0	0	0.0	0.0	20.5
	Upper	0	0.0	0.0	0	0.0	0.0	38.2
	Unknown	0	0.0	88.9	0	0.0	82.9	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	2	6.3	9.9	57	2.6	6.8	20.2
	Moderate	6	18.8	23.3	259	11.9	20.2	21.1
	Middle	6	18.8	23.3	272	12.5	21.7	20.5
	Upper	10	31.3	27.3	823	37.8	33.0	38.2
	Unknown	8	25.0	16.3	769	35.3	18.3	0.0
	Total	32	100.0	100.0	2,180	100.0	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

COMMUNITY DEVELOPMENT TEST

Farmers & Merchants Savings Bank's community development performance in the Wright County assessment area is below the bank's community development overall performance in the state of Iowa; however, it does not change the overall Iowa rating.

Summary of CD Activities, Review Period (February 06, 2017 – July 27, 2020)										
Type of Activity	Affordable Housing		Economic Development		Activities that Revitalize/Stabilize		Community Services		Totals	
	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours
Lending	0	0	0	0	0	0	0	0	0	0
Investment	0	0	0	0	0	0	0	0	0	0
Donations	0	0	4	3,050	0	0	2	340	6	3,390
Services	0	0	2	112	0	0	3	142	5	254

NON-MSA DELAWARE COUNTY, IOWA – LIMITED REVIEW

DESCRIPTION OF INSTITUTION’S OPERATIONS IN NON-MSA DELAWARE COUNTY, IOWA

Farmers & Merchants Savings Bank’s Non-MSA Delaware County, Iowa assessment area consists of Delaware County in its entirety. The assessment area remains unchanged since the previous examination and is composed of five total census tracts. The assessment area contains three middle-income census tracts and one upper-income census tract.

As shown in the Census Tract Designation Changes table below, there were no changes in the designation of census tracts by income since the previous evaluation.

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau’s American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2016 and 2017. Accordingly, lending activity that took place in calendar years up to and including 2016 are evaluated based on ACS income level definitions from the five-year survey data set 2006-2010. Lending activity performed in 2017 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2016 Designations (#)	2017 Designations (#)	Net Change (#)
Low	0	0	0
Moderate	0	0	0
Middle	3	3	0
Upper	1	1	0
Unknown	0	0	0
Total	4	4	0
Source: U. S. Census Bureau: Decennial Census; American Community Survey Data: 2006-2010 U.S. Census Bureau: Decennial Census; American Community Survey Data: 2011-2015			

Within the assessment area, the bank operates one full service branch in Manchester, Iowa, also known as the main office. In addition to the main office, the bank also operates a limited-service, drive-through branch in Manchester with a full service ATM. Both the main office and the drive-through are located in middle-income census tracts.

According to the June 30, 2019, FDIC Deposit Market Share Report, Farmers & Merchants Savings Bank, with a market share of 22.2 percent, ranked second among six FDIC-insured financial institutions operating in the assessment area. Other leaders in market share include Community Savings Bank at 30.7 percent, Farmers Savings Bank at 17.0 percent, and GNB Bank at 14.0 percent.

The six banks competing for deposits and loans with Farmers & Merchants Savings have 11 offices in the assessment area.

Assessment Area: 2018 IA Non MSA Delaware County								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	840	16.8
Moderate-income	0	0.0	0	0.0	0	0.0	731	14.6
Middle-income	3	75.0	4,120	82.4	292	7.1	1,131	22.6
Upper-income	1	25.0	882	17.6	28	3.2	2,300	46.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	4	100.0	5,002	100.0	320	6.4	5,002	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	6,728	4,568	81.9	67.9	1,196	17.8	964	14.3
Upper-income	1,303	1,011	18.1	77.6	198	15.2	94	7.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	8,031	5,579	100.0	69.5	1,394	17.4	1,058	13.2
	Total Businesses Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	716	81.3	638	81.1	63	85.1	15	75.0
Upper-income	165	18.7	149	18.9	11	14.9	5	25.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	881	100.0	787	100.0	74	100.0	20	100.0
	Percentage of Total Businesses:			89.3		8.4		2.3
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	247	82.6	244	82.4	2	100.0	1	100.0
Upper-income	52	17.4	52	17.6	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	299	100.0	296	100.0	2	100.0	1	100.0
	Percentage of Total Farms:			99.0		0.7		0.3
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-MSA DELAWARE COUNTY, IOWA

LENDING TEST

Farmers & Merchants Savings Bank's lending performance in the Non-MSA Delaware County, Iowa assessment area is consistent with the bank's lending performance in the Cedar Rapids, Iowa MSA and the state of Iowa.

Geographic Distribution of Loans

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2018 IA Non MSA Delaware County								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2018						
		Count Bank		Agg	Dollar Bank		Agg	
#	%	%	\$ (000s)	\$ %	\$ %			
Home Purchase	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	14	87.5	85.2	2,355	91.2	85.8	81.9
	Upper	2	12.5	14.8	227	8.8	14.2	18.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	16	100.0	100.0	2,582	100.0	100.0	100.0
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	9	69.2	81.8	1,660	69.5	83.4	81.9
	Upper	4	30.8	18.2	729	30.5	16.6	18.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	13	100.0	100.0	2,389	100.0	100.0	100.0
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	0	0.0	85.7	0	0.0	83.1	81.9
	Upper	0	0.0	14.3	0	0.0	16.9	18.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	Multi-Family 0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	
	Middle	0	0.0	100.0	0	0.0	100.0	
	Upper	0	0.0	0.0	0	0.0	0.0	
	Unknown	0	0.0	0.0	0	0.0	0.0	
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose LOC	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	0	0.0	81.3	0	0.0	77.6	81.9
	Upper	0	0.0	18.8	0	0.0	22.4	18.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	0	0.0	90.9	0	0.0	97.9	81.9
	Upper	0	0.0	9.1	0	0.0	2.1	18.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Loan Purpose Not Applicable	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	0	0.0	100.0	0	0.0	100.0	81.9
	Upper	0	0.0	0.0	0	0.0	0.0	18.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	23	79.3	84.3	4,015	80.8	85.5	81.9
	Upper	6	20.7	15.7	956	19.2	14.5	18.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	29	100.0	100.0	4,971	100.0	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Geographic Distribution of Small Business Loans						
Assessment Area: 2019 IA Non MSA Delaware County						
	Tract Income Levels	Bank & Demographic Comparison				
				2019		Total Businesses
		Count Bank	Dollar Bank			
			#	%	\$ 000s	
Small Business	Low	0	0.0	0	0.0	0.0
	Moderate	0	0.0	0	0.0	0.0
	Middle	7	53.8	594	56.5	80.9
	Upper	6	46.2	458	43.6	19.1
	Unknown	0	0.0	0	0.0	0.0
	Total	13	100.0	1,051	100.0	100.0
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS						
Note: Percentages may not add to 100.0 percent due to rounding						

Geographic Distribution of Small Farm Loans						
Assessment Area: 2019 IA Non MSA Delaware County						
	Tract Income Levels	Bank & Demographic Comparison				
				2019		Total Farms
		Count Bank		Dollar Bank		
		#	%	\$ 000s	\$ %	%
Small Farm	Low	0	0.0	0	0.0	0.0
	Moderate	0	0.0	0	0.0	0.0
	Middle	33	94.3	4,933	94.8	81.1
	Upper	2	5.7	270	5.2	18.9
	Unknown	0	0.0	0	0.0	0.0
	Total	35	100.0	5,203	100.0	100.0
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS						
Note: Percentages may not add to 100.0 percent due to rounding						

Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2018 IA Non MSA Delaware County								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2018						
		Count		Agg %	Dollar		Agg \$ %	
		Bank #	%		Bank \$(000s)	\$ %		
Home Purchase	Low	0	0.0	8.8	0	0.0	5.4	16.8
	Moderate	6	37.5	22.9	569	22.0	15.6	14.6
	Middle	4	25.0	27.1	557	21.6	27.5	22.6
	Upper	5	31.3	28.9	1,410	54.6	36.7	46.0
	Unknown	1	6.3	12.3	46	1.8	14.8	0.0
	Total	16	100.0	100.0	2,582	100.0	100.0	100.0
Refinance	Low	1	7.7	10.9	46	1.9	6.1	16.8
	Moderate	1	7.7	20.8	113	4.7	13.5	14.6
	Middle	2	15.4	21.9	341	14.3	17.4	22.6
	Upper	7	53.8	40.1	1,539	64.4	52.3	46.0
	Unknown	2	15.4	6.3	350	14.7	10.6	0.0
	Total	13	100.0	100.0	2,389	100.0	100.0	100.0
Home Improvement	Low	0	0.0	11.4	0	0.0	6.0	16.8
	Moderate	0	0.0	31.4	0	0.0	22.2	14.6
	Middle	0	0.0	20.0	0	0.0	15.9	22.6
	Upper	0	0.0	37.1	0	0.0	55.9	46.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	16.8
	Moderate	0	0.0	0.0	0	0.0	0.0	14.6
	Middle	0	0.0	0.0	0	0.0	0.0	22.6
	Upper	0	0.0	50.0	0	0.0	11.1	46.0
	Unknown	0	0.0	50.0	0	0.0	88.9	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	1	3.4	9.6	46	0.9	5.5	16.8
	Moderate	7	24.1	22.4	682	13.7	14.6	14.6
	Middle	6	20.7	24.3	898	18.1	23.1	22.6
	Upper	12	41.4	33.9	2,949	59.3	41.5	46.0
	Unknown	3	10.3	9.8	396	8.0	15.3	0.0
	Total	29	100.0	100.0	4,971	100.0	100.0	100.0
Originations & Purchases								
2018 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2019 IA Non MSA Delaware County							
Product Type			Bank & Demographic Comparison				
			2019				Total Businesses
			Count Bank		Dollar Bank		
			#	%	\$ 000s	\$ %	%
Small Business	Revenue	\$1 Million or Less	10	76.9	632	60.1	89.5
		Over \$1 Million or Unknown	3	23.1	419	39.9	10.5
		Total	13	100.0	1,051	100.0	100.0
	Loan Size	\$100,000 or Less	10	76.9	256	24.4	
		\$100,001 - \$250,000	1	7.7	150	14.3	
		\$250,001 - \$1 Million	2	15.4	645	61.4	
		Total	13	100.0	1,051	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	8	80.0	132	20.9	
		\$100,001 - \$250,000	1	10.0	150	23.7	
		\$250,001 - \$1 Million	1	10.0	350	55.4	
		Total	10	100.0	632	100.0	
Originations & Purchases							
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS							
Note: Percentages may not add to 100.0 percent due to rounding							

Small Farm Lending By Revenue & Loan Size							
Assessment Area: 2019 IA Non MSA Delaware County							
Product Type		Bank & Demographic Comparison					
		2019				Total Farms	
		Count Bank		Dollar Bank			
		#	%	\$ 000s	\$ %	%	
Small Farm	Revenue	\$1 Million or Less	28	80.0	4,350	83.6	98.9
		Over \$1 Million or Unknown	7	20.0	853	16.4	1.1
		Total	35	100.0	5,203	100.0	100.0
	Loan Size	\$100,000 or Less	19	54.3	1,011	19.4	
		\$100,001 - \$250,000	8	22.9	1,437	27.6	
		\$250,001 - \$500,000	8	22.9	2,755	53.0	
		Total	35	100.0	5,203	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	14	50.0	728	16.7	
		\$100,001 - \$250,000	7	25.0	1,237	28.4	
		\$250,001 - \$500,000	7	25.0	2,385	54.8	
		Total	28	100.0	4,350	100.0	
Originations & Purchases							
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS							
Note: Percentages may not add to 100.0 percent due to rounding							

COMMUNITY DEVELOPMENT TEST

Farmers & Merchants Savings Bank's community development performance in the area is below the bank's community development performance in the state of Iowa; however, it does not change the overall Iowa rating.

Summary of CD Activities, Review Period (February 06, 2017 – July 27, 2020)										
Type of Activity	Affordable Housing		Economic Development		Activities that Revitalize/Stabilize		Community Services		Totals	
	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours
Lending	0	0	0	0	0	0	0	0	0	0
Investment	0	0	0	0	0	0	0	0	0	0
Donations	0	0	1	150	0	0	3	2,820	4	2,970
Services	0	0	5	194	1	10	2	11	8	215

STATE OF MINNESOTA

CRA RATING FOR MINNESOTA: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The CRA rating for the state of Minnesota is Satisfactory. The rating is based on the institution's performance in the full-scope Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin, MSA assessment area. The geographic distribution of loans throughout the assessment area is reasonable, as is the distribution of loans to borrowers of different income levels and to businesses and farms of different sizes. The bank's community development performance demonstrates adequate responsiveness to community development needs of its assessment area through community development loans, qualified investments, and services, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

SCOPE OF EXAMINATION

The bank's assessment area for the state of Minnesota consists of one assessment area, partially derived from the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin, MSA. The sole assessment area was selected for a full-scope review. The scope of the review is consistent with the scope presented in the Scope of Examination section of the performance evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MINNESOTA

Farmers & Merchants Savings Bank operations in the state of Minnesota consist solely of the bank's operations in the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin, MSA. The bank maintains two branches in St. Paul and Circle Pines, Minnesota. Please see the individual assessment area summary for demographic and economic conditions.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MINNESOTA

LENDING TEST

Farmers & Merchants Savings Bank's performance relative to the lending test in Minnesota is Satisfactory based on the reasonable geographic distribution of loans and the reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes. See individual assessment area summary section for more details.

Geographic and Borrower Distribution

The geographic distribution of loans is reasonable throughout the assessment area contributing to the state rating. Farmers & Merchants Savings Bank's performance relative to HMDA-reportable lending, small business and small farm loans in Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin, MSA was reasonable, given the bank faces a high level of competition in the assessment area making it difficult to increase the volume of loans.

The distribution of lending to borrowers of different income levels and businesses and farms of different sizes in the state of Minnesota is reasonable.

COMMUNITY DEVELOPMENT TEST

The bank's performance relative to the community development test is Satisfactory. Farmers & Merchants Savings Bank community development performance demonstrates adequate responsiveness to the community development needs of its assessment area in the state of Minnesota through community development loans, qualified investments and community development services considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

Lending, Investment, and Services Activities

The bank's community development lending, qualified investments, and community development services demonstrate adequate responsiveness to community development needs throughout the state of Minnesota, specifically the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin, MSA. The table below presents the bank's total community development activities from February 06, 2017 through July 27, 2020.

	Community Development Activities February 06, 2017 – July 27, 2020							
Assessment Area	Loans		Investments		Donations		Services	
	#	\$	#	\$	#	\$	#	Hours
	Full Review							
Minneapolis-St. Paul - Bloomington, Minnesota-Wisconsin, MSA #33460	13	2,521,000	0	0	1	250	26	506
	Combined Assessment Area Impact							
Total Qualified	13	2,521,000	0	0	1	250	26	506

MINNEAPOLIS-ST.PAUL-BLOOMINGTON, MINNESOTA-WISCONSIN, MSA #33460 - FULL REVIEW

SCOPE OF EXAMINATION

Full scope examination procedures were used to evaluate the bank's performance in the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin, MSA assessment area. The scope of examination is consistent with that described within the institution summary. For further information, please refer to the Scope of Examination section.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MINNEAPOLIS-ST.PAUL-BLOOMINGTON, MINNESOTA-WISCONSIN, MSA #33460

The bank's Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin, MSA assessment area consists of Anoka and Ramsey Counties in their entirety; it excludes the MSA's remaining 13 counties from the assessment area. The assessment area delineation is unchanged since the previous evaluation and is comprised of 220 census tracts. The assessment area is composed of 24 low-income, 67 moderate-income, 91 middle-income, 36 upper-income, and two unknown-income census tracts.

As shown in the Census Tract Designation Changes table below, there were changes in the distribution of census tracts by income since the previous evaluation.

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2016 and 2017. Accordingly, lending activity that took place in calendar years up to and including 2016 are evaluated based on ACS income level definitions from the five-year survey data set 2006-2010. Lending activity performed in 2017 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2016 Designations (#)	2017 Designations (#)	Net Change (#)
Low	21	24	3
Moderate	58	67	9
Middle	101	91	-10
Upper	38	36	-2
Unknown	2	2	0
Total	220	220	0
Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2006-2010 U.S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015			

Within the assessment area, the bank operates two branch offices, one in each of Lino Lakes and Vadnais Heights, Minnesota. Both of the branches maintain full-service ATMs. Additionally, both branches are located in middle-income census tracts. There were no branches opened or closed in the assessment area since the previous evaluation.

According to the June 30, 2019, Federal Deposit Insurance Corporation FDIC Deposit Market Share Report, Farmers & Merchants Savings Bank ranked 23rd with 0.1 percent of market share among 46 FDIC-insured financial institutions operating within the assessment area. Leaders in market share include U.S Bank at 75.7 percent, Wells Fargo Bank at 8.4 percent, and Bremer Bank at 2.7 percent. The 46 banks competing for deposits and loans with Farmers & Merchants Savings Bank operate 151 offices in the assessment area. This data illustrates the heavy competitive pressure within this assessment area. Additional assessment area demographic information is provided in the following table. Please refer to Appendix C for 2017 demographic information.

Assessment Area: 2018 Minneapolis-St. Paul-Bloom, MN-WI MSA 33460								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	24	10.9	16,204	7.7	5,634	34.8	50,989	24.3
Moderate-income	67	30.5	55,346	26.4	7,576	13.7	39,020	18.6
Middle-income	91	41.4	98,292	46.8	4,424	4.5	47,448	22.6
Upper-income	36	16.4	40,133	19.1	1,038	2.6	72,518	34.5
Unknown-income	2	0.9	0	0.0	0	0.0	0	0.0
Total Assessment Area	220	100.0	209,975	100.0	18,672	8.9	209,975	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	28,576	9,130	4.1	31.9	17,111	59.9	2,335	8.2
Moderate-income	101,112	52,994	23.9	52.4	42,907	42.4	5,211	5.2
Middle-income	155,543	113,348	51.1	72.9	36,314	23.3	5,881	3.8
Upper-income	61,573	46,167	20.8	75.0	13,363	21.7	2,043	3.3
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	346,804	221,639	100.0	63.9	109,695	31.6	15,470	4.5
	Total Businesses Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	2,988	7.2	2,545	6.8	372	10.0	71	17.9
Moderate-income	10,631	25.7	9,318	25.0	1,200	32.2	113	28.5
Middle-income	19,635	47.4	17,798	47.7	1,686	45.3	151	38.1
Upper-income	8,157	19.7	7,633	20.5	464	12.5	60	15.2
Unknown-income	22	0.1	18	0.0	3	0.1	1	0.3
Total Assessment Area	41,433	100.0	37,312	100.0	3,725	100.0	396	100.0
	Percentage of Total Businesses:			90.1		9.0		1.0
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	8	2.6	8	2.7	0	0.0	0	0.0
Moderate-income	41	13.6	39	13.3	2	25.0	0	0.0
Middle-income	178	58.9	174	59.2	4	50.0	0	0.0
Upper-income	75	24.8	73	24.8	2	25.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	302	100.0	294	100.0	8	100.0	0	0.0
	Percentage of Total Farms:			97.4		2.6		0.0
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

Population Characteristics

The table below presents the population trends for the assessment area compared to the MSA in its entirety and the state of Minnesota from 2010 to 2015. According to the 2015 U.S. Census Bureau demographic data, the assessment area's population was 866,175. The assessment area's population change of 3.2 percent was consistent with the rate of population change in the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin MSA in its entirety at 3.3 percent. Moreover, the population increased in Anoka County by 2.4 percent, while it increased in Ramsey County by 3.7 percent. Community representatives believe Ramsey County's urban location makes it more attractive to new residents. Overall, the rate of population change in both the assessment area and the MSA is greater than the rate of population change in the state of Minnesota.

Population Change 2010 and 2011-2015			
Area	2010 Population	2011-2015 Population	Percentage Change
Assessment Area	839,484	866,175	3.2
Anoka County, MN	330,844	338,764	2.4
Ramsey County, MN	508,640	527,411	3.7
Minneapolis-St. Paul-Bloomington, MN-WI MSA	3,348,859	3,458,790	3.3
State of Minnesota	5,303,925	5,419,171	2.2
Source: 2006-2010—U.S. Census Bureau: Decennial Census 2011-2015—U.S. Census Bureau: Annual Population Estimates OR 2010—U.S. Census Bureau: Decennial Census			

Income Characteristics

The assessment area is comprised of 209,975 families, of which 24.3 percent are designated as low-income, 18.6 percent are moderate-income, 22.6 percent are middle-income, and 36.7 percent are upper-income. Of families residing within the assessment area, 11.4 percent are below the poverty level, which is comparable to the state of Minnesota poverty rate of 10.8 percent.

The following table compares the MFI for the assessment area and the state of Minnesota. According to the 2011-2015 Census Bureau data, MFI increased within both assessment area counties. Anoka County and Ramsey County experienced a MFI increase of 6.5 percent, which is comparable to the MSA and state of Minnesota increases of 8.0 and 8.1 percent, respectively. According to 2018 FFIEC Census Data, Ramsey County contains a greater population of low-income households at 31.0 percent compared to Anoka County at 19.8 percent. Furthermore, community representatives believe a higher concentration in skilled labor of manufacturing in Anoka County has caused a noticeable increase in wages.

Median Family Income Change 2006-2010 and 2011-2015			
Area	2006-2010 Median Family Income (2010 Dollars)	2011-2015 Median Family Income (2015 Dollars)	Percentage Change
Assessment Area	73,170	77,630	6.1
Anoka County, MN	78,603	83,676	6.5
Ramsey County, MN	69,079	73,598	6.5
Minneapolis-St. Paul-Bloomington, MN-WI MSA	79,301	85,636	8.0
State of Minnesota	71,307	77,055	8.1
Source: 2006-2010 — U.S. Census Bureau: American Community Survey 2011-2015 — U.S. Census Bureau: American Community Survey			

Bankruptcy Characteristics

Based on the Administrative Office of the U.S. Courts' bankruptcy filing rates, Ramsey County's bankruptcy filing rate has more closely resembled the state of Minnesota's from 2013 to 2016. Anoka County, however, has been above the state's filing rate. In general, bankruptcy rates across the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin MSA and the state of Minnesota trended downwards from 2013 to 2016.

Personal Bankruptcy Filing Rate (per 1,000 population)				
Area	2013	2014	2015	2016
Anoka County, MN	3.8	3.2	2.8	2.4
Ramsey County, MN	2.9	2.5	2.3	1.9
Minneapolis-St. Paul-Bloomington, MN-WI MSA	3.1	2.5	2.2	1.9
State of Minnesota	2.6	2.2	1.9	1.7
Source: 2015 — Administrative Office of the U.S. Courts				

Housing Characteristics

There are a total of 346,804 housing units in the assessment area. The majority of housing units are owner-occupied at 63.9 percent, while 31.6 percent are rental and 4.5 percent are vacant units. In comparison to the state of Minnesota, the assessment area has a comparable percentage of owner-occupied units, a slightly higher percentage of rental units, and a lower percentage of vacant units. Of note, between the two counties delineated by the bank, owner-occupied housing units are more common in Anoka County at 77.3 percent compared to Ramsey County at 56.0 percent.

The following table presents recent trends in housing costs within the assessment area, the MSA in its entirety, and the state of Minnesota. According to the 2011-2015 American Community Survey, the assessment area had a median housing value of \$190,691 and median gross rent of \$886.

During the same period, the state of Minnesota had a median housing value of \$186,200 and median gross rent of \$848. The state of Minnesota experienced a decrease in median housing value of 9.7 percent and an increase in median gross rent of 11.7 percent from 2010. Although median housing values within the assessment area counties are higher than the state of Minnesota, there has also been a decline in median housing value of 15.9 and 13.0 percent within Anoka and Ramsey Counties, respectively.

A common method to compare relative affordability of housing across geographic areas is the affordability ratio, which is defined in Appendix D. A higher ratio supports more affordable housing opportunities. Based on the 2011-2015 U.S. Census Bureau American Community Survey data, the affordability ratio for the assessment area was 0.32, as compared to the state of Minnesota's ratio of 0.33. Of the geographies within the bank's assessment area, Anoka County is slightly more affordable at 0.38. Overall, the ratios below indicate that housing costs in the assessment area are generally similar to the state of Minnesota as a whole.

Trends in Housing Costs 2006-2010 and 2011-2015							
	Median Housing Value			Median Gross Rent			Affordability Ratio
Area	2006-2010	2011-2015	% Change	2006-2010	2011-2015	% Change	2011-2015
Assessment Area	222,871	190,691	-14.4	799	886	10.9	0.33
Anoka County, MN	223,100	187,600	-15.9	870	971	11.6	0.38
Ramsey County, MN	222,700	193,700	-13.0	784	865	10.3	0.29
Minneapolis-St. Paul-Bloomington, MN-WI MSA	237,991	213,862	-10.1	838	931	11.1	0.32
State of Minnesota	206,200	186,200	-9.7	759	848	11.7	0.33
Source: 2006-2010 — U.S. Census Bureau: American Community Survey 2011-2015 — U.S. Census Bureau: American Community Survey							

Foreclosure Inventory Rates

The Federal Reserve Bank of Chicago conducted a study on the changes in the foreclosure inventory rate at the county level. The foreclosure inventory rate measures the number of residential properties in some phase of foreclosure. It excludes properties that have completed the foreclosure cycle.

Foreclosure inventory rates in the state and assessment area counties have declined since the previous evaluation. As of July 2018, the state of Minnesota's foreclosure inventory rate at 0.3 percent was comparable to the foreclosure inventory rates of Anoka and Ramsey Counties at 0.2 and 0.3 percent, respectively. The lower percentage of properties in the process of foreclosure

indicates general housing sector improvements within the assessment area and the state of Minnesota.

Employment Characteristics

The following table presents the unemployment trends for the assessment area counties, Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin MSA, and the state of Minnesota from 2013 to 2016. Unemployment rates in the assessment area, the MSA, and the state of Minnesota declined between 2013 and 2016. Anoka County's unemployment rate is most comparable to the state of Minnesota, while Ramsey County has consistently seen a lower unemployment rates compared to the state.

Unemployment Rates				
Area	2013	2014	2015	2016
Anoka County, MN	5.1	4.0	3.6	3.8
Ramsey County, MN	5.0	3.9	3.6	3.6
Minneapolis-St. Paul-Bloomington, MN-WI MSA	4.9	3.9	3.5	3.6
State of Minnesota	5.1	4.1	3.7	3.9
<i>Source: Bureau of Labor Statistics: Local Area Unemployment Statistics (LAUS)</i>				

Industry Characteristics

The information presented below indicates a majority of the largest employers in the MSA are located in Ramsey County. Between Anoka County and Ramsey County, Anoka County has a higher concentration of manufacturing, goods production, construction, and trade, transportation, and utilities. Ramsey County has a higher concentration of service-providing employers, such as information technology, education and health services, and professional and business services.

Largest Employers in the Assessment Area			
Company	County	Industry	# of Employees
3M Co	Ramsey	Physicians & Surgeons Equip & Supplies	12,000
St Paul Board Of Education	Ramsey	Boards Of Education	3,401
U.S. Bank Branch	Ramsey	Banks	3,000
Travelers Insurance	Ramsey	Insurance	3,000
Stanke Supply Co	Ramsey	Electronic Equipment & Supplies	3,000
Medtronic Inc.	Anoka	Physicians & Surgeons Equip & Supplies	3,000
Regions Hospital	Ramsey	Hospitals	2,918
Minnesota Life Insurance Co	Hennepin	Insurance	2,400
United Hospital	Ramsey	Hospitals	2,265
Securian Financial Services Inc.	Washington	Financial Advisory Services	2,000
<i>Source: Infogroup®, Omaha, NE</i>			

Community Representatives

Two community representatives from affordable housing and economic development organizations were contacted to provide information regarding local economic and demographic conditions. The representatives provided information on housing, employment, and economic development needs within the assessment area. In particular, the representatives noted there is a need for additional investment in state of the art communication infrastructure, specifically high-speed internet access, as well as construction financing for small businesses, which frequently face high costs associated with leasing buildings. With respect to housing, a community representative indicated there was strong demand for senior housing, as well as multi-family units (with more than three bedrooms) to accommodate an influx of larger immigrant families.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MINNEAPOLIS-ST.PAUL-BLOOMINGTON, MINNESOTA-WISCONSIN, MSA #33460

LENDING TEST

Geographic Distribution of Loans

The bank's overall geographic distribution for the St. Paul-Bloomington, Minneapolis-Wisconsin, MSA is reasonable. The bank's performance with respect to small business lending carried more weight in the analysis given their business model focuses primarily on commercial lending. For 2017 and 2018, home purchase and refinance loans will be the primary focus of HMDA-reportable loans in the evaluation; based on low loan volumes, home improvement and multi-family loans will not be discussed. The 2019 sample of small farm loans did not include any originations in this assessment area. Moreover, the assessment area demographics data reveal a limited presence of small farms. Due to the insignificant volume of lending and limited presence of small farms in this assessment area, a meaningful analysis could not be completed; therefore, the geographic distribution of small farm loans will not be discussed.

HMDA-Reportable Loans

The geographic distribution of HMDA-reportable lending is reasonable. In 2018, the bank originated HMDA-reportable loans in 15 (6.8 percent) of the 220 census tracts in the assessment area, and similarly in 2017, originated loans in 18 (8.2 percent) of the 220 census tracts. In 2018, the bank originated loans in two of the 24 (8.3 percent) low-income census tracts and four of 67 (6.0 percent) moderate-income census tracts. In 2017, the bank originated loans in only one of the 24 (4.2 percent) low-income census tracts and one of 66 (1.5 percent) moderate-income census tracts.

Based on the HMDA-reportable data, there appear to be conspicuous lending gaps, namely in the southwestern portion of Anoka County and the southern portion of Ramsey County. However, given the high level of competition within the metropolitan assessment area, its primary focus on

commercial lending, and its branch locations relative to LMI geographies, it remains challenging for the bank to increase its HMDA-reportable lending to LMI geographies.

Home Purchase

In 2018, home purchase loans represented 33.3 percent of the bank's total HMDA-reportable loans in the assessment area. Farmers & Merchants Savings Bank did not originate any home purchase loans in low-income census tracts. This performance is below the aggregate at 6.1 percent and the 4.1 percent of owner-occupied units. However, the bank originated 50.0 percent of its home purchase loans in moderate-income census tracts. The bank's performance is significantly above both the aggregate at 27.1 percent and the 23.9 percent of owner-occupied units. Overall, the number of home purchase loans to low- and moderate-income census tracts comprises 50.0 percent of the total home purchase loans in the assessment area in 2018. This is greater than the aggregate at 33.2 percent and is notable given the low amount of owner-occupied housing in LMI census tracts and the high number of rentals and vacancies.

The bank originated 33.3 percent of all home purchase loans in middle-income census tracts, which was below both the aggregate at 47.6 percent and the 51.1 percent of owner-occupied units. Lastly, the bank originated 16.7 percent of its home purchase loans in upper-income census tracts, which was consistent with the aggregate at 19.2 percent and the 20.8 percent of owner-occupied units located in upper-income census tracts. There were no loans to unknown income census tracts.

The bank's geographic distribution of home purchase loans in 2017 was below the performance of 2018. Please refer to Appendix C for the 2017 geographic distribution table.

Refinance

In 2018, refinance loans represented 66.7 percent of the bank's total HMDA-reportable loans in the assessment area. The bank originated 25.0 percent of their refinance loans in low-income census tracts. The bank's performance is significantly above the aggregate performance at 4.0 percent and is excellent in light of the 4.1 percent of owner-occupied units in low-income census tracts. The bank originated 16.7 percent of its refinance loans in moderate-income census tracts. However, the bank's performance is slightly below both the aggregate at 23.6 percent and the 23.9 percent of owner-occupied units in moderate-income census tracts.

The majority of the bank's refinance loans were originated in middle-income tracts. The bank originated 50.0 percent of its refinance loans in middle-income census tracts, which was comparable to both the aggregate at 53.4 percent and the 51.1 percent of owner-occupied units. Lastly, the bank originated 8.3 percent of its refinance loans in upper-income census tracts, which was below the aggregate at 19.0 percent and below the 20.8 percent of owner-occupied units located in upper-income census tracts.

The bank's performance with respect to refinance loans in 2017 was below the performance of 2018. Please refer to Appendix C for the 2017 geographic distribution table.

The following table summarizes the bank's 2018 HMDA-reportable lending in the assessment area.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2018 Minneapolis-St. Paul-Bloom, MN-WI MSA 33460								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2018						
		Count Bank		Agg	Dollar Bank		Agg	
#	%	%	\$ (000s)	\$ %	\$ %			
Home Purchase	Low	0	0.0	6.1	0	0.0	4.4	4.1
	Moderate	3	50.0	27.1	531	47.4	22.2	23.9
	Middle	2	33.3	47.6	378	33.7	48.3	51.1
	Upper	1	16.7	19.2	212	18.9	25.1	20.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	6	100.0	100.0	1,121	100.0	100.0	100.0
Refinance	Low	3	25.0	4.0	321	14.5	3.0	4.1
	Moderate	2	16.7	23.6	277	12.5	19.1	23.9
	Middle	6	50.0	53.4	1,176	53.1	53.8	51.1
	Upper	1	8.3	19.0	441	19.9	24.0	20.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	12	100.0	100.0	2,215	100.0	100.0	100.0
Home Improvement	Low	0	0.0	4.3	0	0.0	4.6	4.1
	Moderate	0	0.0	18.3	0	0.0	16.0	23.9
	Middle	0	0.0	50.9	0	0.0	49.2	51.1
	Upper	0	0.0	26.5	0	0.0	30.3	20.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Multi-Family	Low	0	0.0	22.2	0	0.0	10.6	Multi-Family 12.9 39.5 35.1 12.5 0.0
	Moderate	0	0.0	39.9	0	0.0	50.2	
	Middle	0	0.0	20.3	0	0.0	32.3	
	Upper	0	0.0	17.7	0	0.0	6.9	
	Unknown	0	0.0	0.0	0	0.0	0.0	
	Total	0	0.0	100.0	0	0.0	100.0	
Other Purpose LOC	Low	0	0.0	2.6	0	0.0	2.2	4.1
	Moderate	0	0.0	18.6	0	0.0	14.6	23.9
	Middle	0	0.0	53.1	0	0.0	52.6	51.1
	Upper	0	0.0	25.7	0	0.0	30.6	20.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt	Low	0	0.0	4.3	0	0.0	4.7	4.1
	Moderate	0	0.0	20.6	0	0.0	18.5	23.9
	Middle	0	0.0	52.8	0	0.0	47.0	51.1
	Upper	0	0.0	22.4	0	0.0	29.8	20.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Loan Purpose Not Applicable	Low	0	0.0	8.4	0	0.0	7.6	4.1
	Moderate	0	0.0	33.2	0	0.0	30.2	23.9
	Middle	0	0.0	47.9	0	0.0	52.6	51.1
	Upper	0	0.0	10.4	0	0.0	9.6	20.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	3	16.7	5.5	321	9.6	4.5	4.1
	Moderate	5	27.8	25.5	808	24.2	23.3	23.9
	Middle	8	44.4	49.4	1,554	46.6	48.5	51.1
	Upper	2	11.1	19.6	653	19.6	23.7	20.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	18	100.0	100.0	3,336	100.0	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Small Business

The geographic distribution of small business loans is reasonable throughout the assessment area. The 2019 sample included 13 small business loans within the assessment area. The bank did not originate any loans in low-income census tracts. When compared to the total percentage of businesses located in low-income census tracts at 7.1 percent, the bank's performance was below the demographic figure. Moreover, the bank originated 7.7 percent of all small business loans in moderate-income census tracts, which also fell below the demographic figure of 25.6 percent. Notably, however, it remains difficult for the bank to increase small business loans to LMI census tracts given the high level of competition in the metropolitan assessment area and the branches' proximity to low-income census tracts.

The following table presents the bank's geographic distribution of small business loans in 2019.

Geographic Distribution of Small Business Loans						
Assessment Area: 2019 Minneapolis-St. Paul-Bloom, MN-WI MSA 33460						
	Tract Income Levels	Bank & Demographic Comparison				
		Count		2019 Dollar		Total Businesses
		Bank		Bank		
		#	%	\$ 000s	\$ %	%
Small Business	Low	0	0.0	0	0.0	7.1
	Moderate	1	7.7	25	1.3	25.6
	Middle	11	84.6	1,839	98.4	45.5
	Upper	1	7.7	5	0.3	21.7
	Unknown	0	0.0	0	0.0	0.1
	Total	13	100.0	1,869	100.0	100.0
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS						
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>						

Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes

The bank's lending to individuals of different income levels and businesses and farms of different sizes is reasonable. The bank's performance with respect to small business lending carried more weight in the analysis given the commercial loan portfolio. Small farm lending received the least weight, as the assessment area contains fewer farms and therefore, a limited number of the bank's agricultural loans. For 2017 and 2018, home purchase and refinance loans will be the primary focus of HMDA-reportable loans in the evaluation; based on low loan volumes, home improvement and multi-family loans will not be discussed. The 2019 sample of small farms did not reveal any originations in this assessment area. Moreover, the demographic data reveal a small presence of

farms. Given the insignificant volume of lending and limited presence of small farms, a meaningful analysis could not be conducted. Therefore, lending to farms of different sizes will also not be discussed.

HMDA-Reportable Loans

The borrower distribution of HMDA-reportable loans to individuals of different income levels is reasonable. While lending levels for home purchase and refinance loans to LMI individuals for both 2018 and 2017 were below the aggregate, there is a high level of competition in the metropolitan assessment area. Further, given the bank's focus on commercial lending, the bank's lending distribution to borrowers of different income levels is reasonable.

In 2018, Farmers & Merchants originated 11.1 percent of its total HMDA-reportable loans to low-income borrowers, consistent with aggregate lenders at 12.0 percent but below the percentage of low-income families in the assessment area at 24.3 percent. The bank originated 11.1 percent of its HMDA-reportable loans to moderate-income borrowers, which was below both the aggregate at 24.9 percent and the percentage of families designated as moderate-income in the assessment area at 18.6 percent. Farmers & Merchants Savings Bank originated 11.1 percent of HMDA-reportable loans to middle-income borrowers, which was also below both the aggregate and the demographic at 22.1 percent and 22.6 percent, respectively. Conversely, the bank originated 61.1 percent of its HMDA-reportable loans to upper-income borrowers, significantly exceeding the aggregate at 22.0 percent and the demographic at 34.5 percent. In addition, 5.6 percent of the bank's HMDA-reportable loans were originated to borrowers of unknown income, which was below the aggregate at 19.0 percent.

The borrower distribution of HMDA-reportable loans in 2017 was consistent with the bank's performance in 2018. Please refer to Appendix C for the 2017 borrower distribution table.

Home Purchase

In 2018, the bank did not originate any home purchase loans to low-income borrowers. The bank's performance is below the aggregate lenders percentage at 12.6 percent and the percentage of low-income families located in the assessment area at 24.3 percent. The bank originated 16.7 percent of its home purchase loans to moderate-income borrowers. The bank's performance was below the aggregate at 26.5 percent but comparable to the percent of moderate-income families in the assessment area at 18.6 percent. Farmers & Merchants Savings Bank did not originate any home purchase loans to middle-income borrowers, which fell below both the aggregate and the demographic at 21.2 percent and 22.6 percent, respectively. The bank originated 66.7 percent of its home purchase loans to upper-income borrowers. The bank's home purchase volume was substantially concentrated in upper-income tracts, compared to the aggregate at 18.6 percent and the percent of upper-income families in the assessment area at 34.5 percent. Additionally, the bank originated 16.7 percent of home purchase loans to borrowers with unknown-income, which

compares to the aggregate at 21.1 percent.

The borrower distribution of HMDA-reportable home purchase loans in 2017 was consistent with performance in 2018. Please refer to Appendix C for the 2017 borrower distribution table.

Refinance

In 2018, the bank originated 16.7 percent of its refinance loans to low-income borrowers. The bank's performance was comparable to the aggregate at 13.1 percent but below the 24.3 percent of low-income families located in the assessment area. The bank originated 8.3 percent of its refinance loans to moderate-income borrowers, which is significantly below the aggregate lenders percentage of 25.2 percent and the demographic percentage of moderate-income families in the assessment area at 18.6 percent. The bank originated 16.7 percent of its refinance loans to middle-income borrowers, and this performance was below both the aggregate at 23.8 percent and the 22.6 percent of middle-income families in the assessment area. The bank originated the majority of its refinance loans at 58.3 percent to upper-income borrowers. The bank's performance was substantially above the aggregate at 25.6 percent and the percent of upper-income families in the assessment area at 34.5 percent. There were no loans made to borrowers with unknown-income.

The borrower distribution of HMDA-reportable refinance loans in 2017 was consistent with performance in 2018. Please refer to Appendix C for the 2017 borrower distribution table.

The following table summarizes the bank's 2018 HMDA-reportable lending in the assessment area.

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2018 Minneapolis-St. Paul-Bloom, MN-WI MSA 33460								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2018						
		Count Bank		Agg %	Dollar Bank		Agg %	
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	12.6	0	0.0	8.2	24.3
	Moderate	1	16.7	26.5	190	16.9	22.6	18.6
	Middle	0	0.0	21.2	0	0.0	22.1	22.6
	Upper	4	66.7	18.6	746	66.5	25.9	34.5
	Unknown	1	16.7	21.1	185	16.5	21.2	0.0
	Total	6	100.0	100.0	1,121	100.0	100.0	100.0
Refinance	Low	2	16.7	13.1	155	7.0	9.1	24.3
	Moderate	1	8.3	25.2	74	3.3	21.9	18.6
	Middle	2	16.7	23.8	454	20.5	23.6	22.6
	Upper	7	58.3	25.6	1,532	69.2	32.0	34.5
	Unknown	0	0.0	12.3	0	0.0	13.4	0.0
	Total	12	100.0	100.0	2,215	100.0	100.0	100.0
Home Improvement	Low	0	0.0	7.7	0	0.0	6.7	24.3
	Moderate	0	0.0	18.5	0	0.0	15.8	18.6
	Middle	0	0.0	27.4	0	0.0	23.2	22.6
	Upper	0	0.0	39.6	0	0.0	42.7	34.5
	Unknown	0	0.0	6.7	0	0.0	11.6	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Multi-Family	Low	0	0.0	0.6	0	0.0	0.1	24.3
	Moderate	0	0.0	0.6	0	0.0	0.0	18.6
	Middle	0	0.0	1.3	0	0.0	0.5	22.6
	Upper	0	0.0	1.9	0	0.0	0.2	34.5
	Unknown	0	0.0	95.6	0	0.0	99.1	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose LOC	Low	0	0.0	8.7	0	0.0	6.6	24.3
	Moderate	0	0.0	21.8	0	0.0	17.5	18.6
	Middle	0	0.0	26.8	0	0.0	24.4	22.6
	Upper	0	0.0	37.4	0	0.0	45.9	34.5
	Unknown	0	0.0	5.2	0	0.0	5.6	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt	Low	0	0.0	10.3	0	0.0	9.8	24.3
	Moderate	0	0.0	22.4	0	0.0	20.6	18.6
	Middle	0	0.0	29.4	0	0.0	23.5	22.6
	Upper	0	0.0	33.9	0	0.0	38.7	34.5
	Unknown	0	0.0	4.0	0	0.0	7.4	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Loan Purpose Not Applicable	Low	0	0.0	2.3	0	0.0	1.1	24.3
	Moderate	0	0.0	2.8	0	0.0	1.3	18.6
	Middle	0	0.0	3.5	0	0.0	1.4	22.6
	Upper	0	0.0	1.7	0	0.0	2.7	34.5
	Unknown	0	0.0	89.7	0	0.0	93.5	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	2	11.1	12.0	155	4.6	7.7	24.3
	Moderate	2	11.1	24.9	264	7.9	20.5	18.6
	Middle	2	11.1	22.1	454	13.6	20.8	22.6
	Upper	11	61.1	22.0	2,278	68.3	25.9	34.5
	Unknown	1	5.6	19.0	185	5.5	25.1	0.0
	Total	18	100.0	100.0	3,336	100.0	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Small Business Loans

The distribution of small business loans to businesses of different revenue sizes is reasonable. The 2019 sample included 13 small business loans originated within the assessment area. Of these 13 loans, 46.2 percent were made to businesses with annual gross revenues equal to or less than \$1 million. This is low in comparison to the demographic measure of total small businesses in the assessment area at 90.4 percent. However, within the six loans made to small businesses, 83.3 percent of the loans were in amounts of \$100,000 or less, which are generally considered the most beneficial to small businesses, indicating the bank's willingness to meet the credit needs of small businesses. The high level of competition within the metropolitan assessment area was also taken into consideration, as it remains challenging for the bank to increase its small business lending.

The following table presents the bank's geographic distribution of small business loans in 2019.

Small Business Lending By Revenue & Loan Size						
Assessment Area: 2019 Minneapolis-St. Paul-Bloom, MN-WI MSA 33460						
Product Type		Bank & Demographic Comparison				
		2019				Total Businesses %
		Count Bank		Dollar Bank		
		#	%	\$ 000s	\$ %	
Small Business	Revenue					
	\$1 Million or Less	6	46.2	341	18.2	90.4
	Over \$1 Million or Unknown	7	53.8	1,528	81.8	9.6
	Total	13	100.0	1,869	100.0	100.0
	Loan Size					
	\$100,000 or Less	8	61.5	289	15.5	
	\$100,001 - \$250,000	2	15.4	368	19.7	
	\$250,001 - \$1 Million	3	23.1	1,211	64.8	
	Total	13	100.0	1,868	100.0	
	Loan Size & Rev \$1 Mill or Less					
	\$100,000 or Less	5	83.3	223	65.4	
	\$100,001 - \$250,000	1	16.7	118	34.6	
	\$250,001 - \$1 Million	0	0.0	0	0.0	
	Total	6	100.0	341	100.0	
Originations & Purchases						
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS						
Note: Percentages may not add to 100.0 percent due to rounding						

COMMUNITY DEVELOPMENT TEST

Farmers & Merchants Savings Bank's community development performance demonstrates adequate responsiveness to community development needs of its assessment area through community development loans, qualified investments and community development services, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area. This evaluation period consisted of 42 months,

whereas the previous evaluation's period consisted of 25 months.

Lending

During the evaluation period, the bank originated 11 qualified loans totaling approximately \$1.77 million toward affordable housing and activities that revitalize and stabilize within the assessment area. Of the 11 loans qualified, one loan was particularly responsive as it allowed a small business to acquire its own space, instead of leasing commercial space. According to a community representative familiar with economic development, the cost of leasing space is a frequent barrier faced for small businesses. The bank slightly increased community development lending since the previous evaluation period, in which seven community development loans totaling \$897,400 were originated in the assessment area; however, taking into account the longer evaluation period at this exam, activity was consistent with the previous evaluation. In addition to the 11 qualified loans in the assessment area, the bank originated two loans for a total of \$750,000 to revitalize and stabilize a low-income census tract located in the broader state regional area that includes the assessment area (specifically the loan was made in Hennepin County, Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin MSA 33460). These two loans are considered an enhancement to the bank's performance in the delineated assessment area.

Investments

The bank did not make any new investments during the evaluation period. However, the bank made one qualifying donation totaling \$250 to the Vadnais Height Community Food Program. At the previous evaluation, the bank made a \$500 qualified community development donation, but it did not originate any qualified community development investments in the assessment area. Investment and donation activity between the current and previous evaluation periods are consistent.

Services

During the evaluation period, bank staff provided 506 hours of community development services. Of the total number of service hours, 493 were dedicated to organizations with an economic development focus, and 13 service hours were dedicated to organizations that provide community services targeting LMI individuals. When accounting for the different lengths in evaluation periods, this represents a significant increase in service hours, as the bank's qualified community development service hours at the previous evaluation totaled 140.

The table below presents the bank's community development activities during the evaluation period.

Summary of CD Activities, Review Period (February 06, 2017 – July 27, 2020)										
Type of Activity	Affordable Housing		Economic Development		Activities that Revitalize/Stabilize		Community Services		Totals	
	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours
Lending	1	75,000	0	0	12	2,446,000	0	0	13	2,521,000
Investment	0	0	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	1	250	1	250
Services	0	0	19	493	0	0	7	13	26	506

Figure 1: Map of the Combined Assessment Area



Figure 2: Map of Cedar Rapids, IA MSA #16300

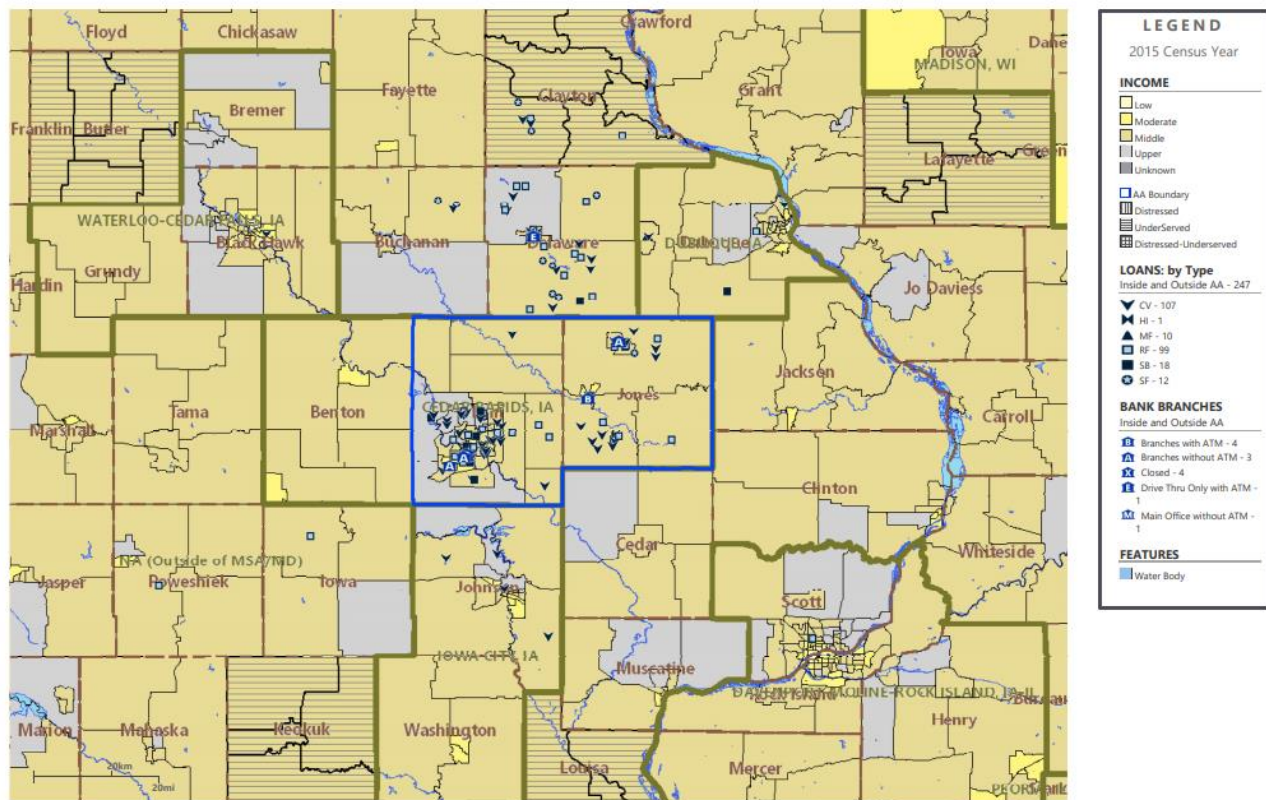


Figure 3: Map of Delaware County, IA Non-MSA

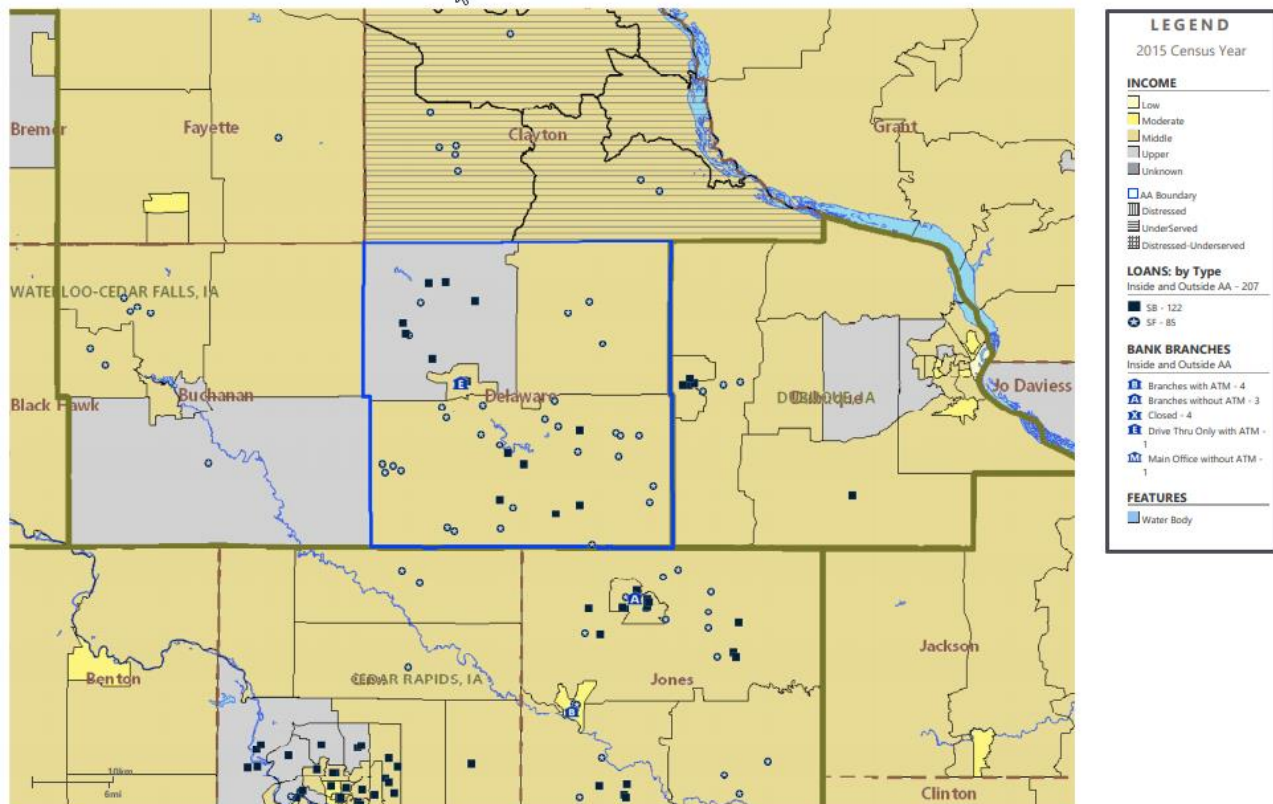


Figure 4: Map of Wright County, IA Non-MSA

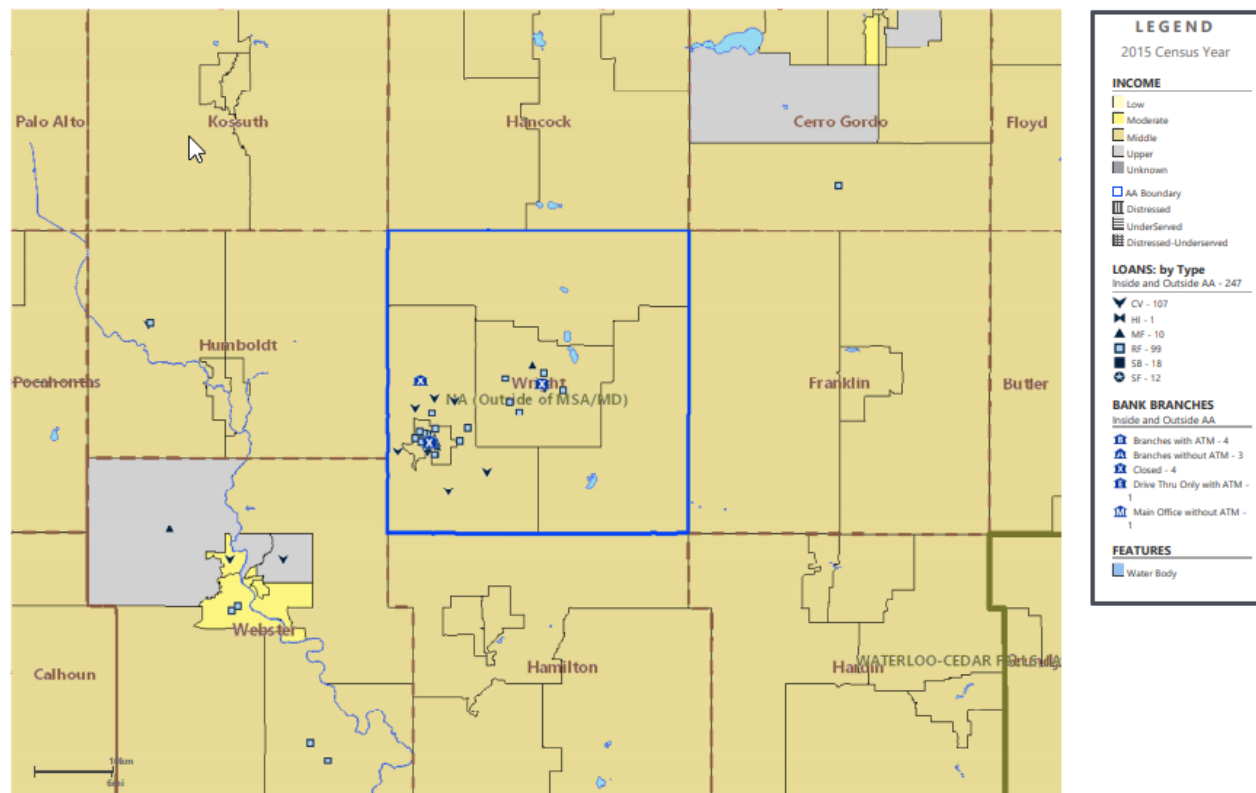
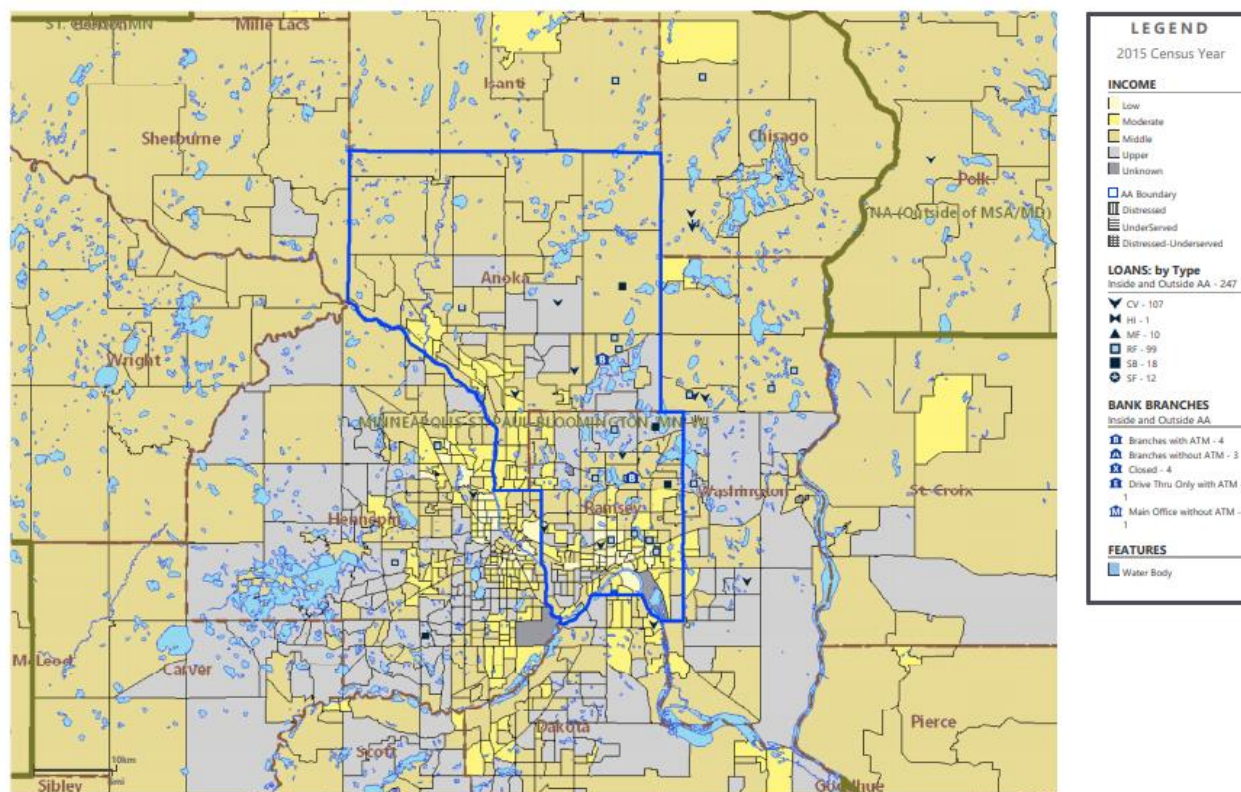


Figure 5: Map of Minneapolis-St. Paul-Bloomington, MN-WI MSA #33460



APPENDIX B – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	Small Farm Lending: January 1, 2019 – December 31, 2019 Small Business Lending: January 1, 2019 – December 31, 2019 HMDA- Reportable Lending: January 1, 2017 – December 31, 2018 Community Development Activities: February 6, 2017 – July 27, 2020		
FINANCIAL INSTITUTION Farmers & Merchants Savings Bank			PRODUCTS REVIEWED HMDA-Reportable Loans Small Business Loans Small Farm Loans
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
N/A	N/A		N/A
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Iowa Cedar Rapids, IA MSA #16300 Non-Metropolitan Delaware County, Iowa Non-Metropolitan Wright County, Iowa	Full Scope Review Limited Scope Review Limited Scope Review	None	N/A
Minnesota Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin MSA #33460	Full Scope Review	None	N/A

APPENDIX C – 2017 Demographic & Performance Tables

Assessment Area: 2017 Cedar Rapids, IA MSA 16300								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	4.0	700	1.2	241	34.4	11,321	18.8
Moderate-income	12	24.0	10,719	17.8	1,320	12.3	10,967	18.2
Middle-income	29	58.0	37,739	62.5	1,880	5.0	14,678	24.3
Upper-income	6	12.0	10,965	18.2	197	1.8	23,371	38.7
Unknown-income	1	2.0	214	0.4	99	46.3	0	0.0
Total Assessment Area	50	100.0	60,337	100.0	3,737	6.2	60,337	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	1,779	587	0.8	33.0	933	52.4	259	14.6
Moderate-income	21,809	12,278	17.4	56.3	7,637	35.0	1,894	8.7
Middle-income	64,082	44,912	63.6	70.1	14,433	22.5	4,737	7.4
Upper-income	14,299	12,758	18.1	89.2	1,120	7.8	421	2.9
Unknown-income	991	128	0.2	12.9	703	70.9	160	16.1
Total Assessment Area	102,960	70,663	100.0	68.6	24,826	24.1	7,471	7.3
	Total Businesses Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	321	3.4	248	3.0	71	6.6	2	2.0
Moderate-income	1,624	17.4	1,403	17.2	205	18.9	16	16.2
Middle-income	5,278	56.6	4,673	57.3	555	51.2	50	50.5
Upper-income	1,592	17.1	1,416	17.4	151	13.9	25	25.3
Unknown-income	516	5.5	409	5.0	101	9.3	6	6.1
Total Assessment Area	9,331	100.0	8,149	100.0	1,083	100.0	99	100.0
	Percentage of Total Businesses:			87.3		11.6		1.1
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	1	0.2	1	0.2	0	0.0	0	0.0
Moderate-income	15	2.3	15	2.3	0	0.0	0	0.0
Middle-income	541	82.0	536	81.8	5	100.0	0	0.0
Upper-income	103	15.6	103	15.7	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	660	100.0	655	100.0	5	100.0	0	0.0
	Percentage of Total Farms:			99.2		0.8		0.0
2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2017 Cedar Rapids, IA MSA 16300								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2017						
		Count		Agg %	Dollar		Agg \$ %	
		Bank #	%		Bank \$ (000s)	\$ %		
Home Purchase	Low	0	0.0	2.0	0	0.0	1.9	0.8
	Moderate	15	33.3	19.6	1,154	17.0	12.8	17.4
	Middle	24	53.3	56.9	4,090	60.3	56.2	63.6
	Upper	6	13.3	21.5	1,538	22.7	29.1	18.1
	Unknown	0	0.0	0.1	0	0.0	0.0	0.2
	Total	45	100.0	100.0	6,782	100.0	100.0	100.0
Refinance	Low	1	2.5	1.1	70	1.0	0.6	0.8
	Moderate	10	25.0	16.2	1,271	17.6	12.7	17.4
	Middle	22	55.0	62.3	4,336	60.1	59.3	63.6
	Upper	7	17.5	19.9	1,534	21.3	27.2	18.1
	Unknown	0	0.0	0.4	0	0.0	0.2	0.2
	Total	40	100.0	100.0	7,211	100.0	100.0	100.0
Home Improvement	Low	0	0.0	0.8	0	0.0	0.9	0.8
	Moderate	5	55.6	18.6	132	33.5	11.1	17.4
	Middle	4	44.4	61.3	262	66.5	61.4	63.6
	Upper	0	0.0	18.8	0	0.0	25.7	18.1
	Unknown	0	0.0	0.6	0	0.0	0.8	0.2
	Total	9	100.0	100.0	394	100.0	100.0	100.0
Multi-Family	Low	0	0.0	5.3	0	0.0	2.2	Multi-Family 4.3 30.2 60.4 2.2 2.9 100.0
	Moderate	0	0.0	26.3	0	0.0	12.7	
	Middle	0	0.0	55.3	0	0.0	83.9	
	Upper	0	0.0	7.9	0	0.0	0.8	
	Unknown	0	0.0	5.3	0	0.0	0.4	
	Total	0	0.0	100.0	0	0.0	100.0	
HMDA Totals	Low	1	1.1	1.7	70	0.5	1.5	0.8
	Moderate	30	31.9	18.6	2,557	17.8	12.7	17.4
	Middle	50	53.2	58.6	8,688	60.4	58.7	63.6
	Upper	13	13.8	20.9	3,072	21.4	26.9	18.1
	Unknown	0	0.0	0.2	0	0.0	0.1	0.2
	Total	94	100.0	100.0	14,387	100.0	100.0	100.0
Originations & Purchases								
2017 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2017 Cedar Rapids, IA MSA 16300								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2017						
		Count		Dollar				
		Bank	Agg	Bank	Agg			
#	%	%	\$ (000s)	\$ %	\$ %			
Home Purchase	Low	0	0.0	14.7	0	0.0	8.4	18.8
	Moderate	5	11.1	21.4	639	9.4	16.3	18.2
	Middle	6	13.3	20.7	1,084	16.0	20.2	24.3
	Upper	13	28.9	23.4	3,108	45.8	33.0	38.7
	Unknown	21	46.7	19.7	1,951	28.8	22.1	0.0
	Total	45	100.0	100.0	6,782	100.0	100.0	100.0
Refinance	Low	1	2.5	11.7	66	0.9	6.3	18.8
	Moderate	4	10.0	18.3	469	6.5	12.7	18.2
	Middle	5	12.5	19.9	753	10.4	17.0	24.3
	Upper	11	27.5	26.3	3,336	46.3	36.6	38.7
	Unknown	19	47.5	23.8	2,587	35.9	27.4	0.0
	Total	40	100.0	100.0	7,211	100.0	100.0	100.0
Home Improvement	Low	0	0.0	11.9	0	0.0	6.3	18.8
	Moderate	1	11.1	20.9	15	3.8	17.4	18.2
	Middle	0	0.0	20.9	0	0.0	19.4	24.3
	Upper	3	33.3	36.2	259	65.7	46.5	38.7
	Unknown	5	55.6	10.1	120	30.5	10.4	0.0
	Total	9	100.0	100.0	394	100.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	18.8
	Moderate	0	0.0	0.0	0	0.0	0.0	18.2
	Middle	0	0.0	0.0	0	0.0	0.0	24.3
	Upper	0	0.0	0.0	0	0.0	0.0	38.7
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	1	1.1	13.7	66	0.5	7.3	18.8
	Moderate	10	10.6	20.5	1,123	7.8	14.4	18.2
	Middle	11	11.7	20.4	1,837	12.8	18.1	24.3
	Upper	27	28.7	24.7	6,703	46.6	32.5	38.7
	Unknown	45	47.9	20.6	4,658	32.4	27.8	0.0
	Total	94	100.0	100.0	14,387	100.0	100.0	100.0
Originations & Purchases								
2017 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Assessment Area: 2017 IA Non MSA Wright County								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	685	20.2
Moderate-income	0	0.0	0	0.0	0	0.0	715	21.1
Middle-income	5	100.0	3,390	100.0	233	6.9	694	20.5
Upper-income	0	0.0	0	0.0	0	0.0	1,296	38.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	5	100.0	3,390	100.0	233	6.9	3,390	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	6,510	4,140	100.0	63.6	1,355	20.8	1,015	15.6
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	6,510	4,140	100.0	63.6	1,355	20.8	1,015	15.6
	Total Businesses Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	557	100.0	485	100.0	59	100.0	13	100.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	557	100.0	485	100.0	59	100.0	13	100.0
	Percentage of Total Businesses:			87.1		10.6		2.3
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	179	100.0	178	100.0	1	100.0	0	0.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	179	100.0	178	100.0	1	100.0	0	0.0
	Percentage of Total Farms:			99.4		0.6		0.0
2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2017 IA Non MSA Wright County								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2017						
		Count		Agg %	Dollar		Agg \$ %	
		Bank #	%		Bank \$ (000s)	\$ %		
Home Purchase	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	20	100.0	100.0	1,067	100.0	100.0	100.0
	Upper	0	0.0	0.0	0	0.0	0.0	0.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	20	100.0	100.0	1,067	100.0	100.0	100.0
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	36	100.0	100.0	2,847	100.0	100.0	100.0
	Upper	0	0.0	0.0	0	0.0	0.0	0.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	36	100.0	100.0	2,847	100.0	100.0	100.0
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	2	100.0	100.0	24	100.0	100.0	100.0
	Upper	0	0.0	0.0	0	0.0	0.0	0.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	2	100.0	100.0	24	100.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	Multi-Family 0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	
	Middle	1	100.0	100.0	79	100.0	100.0	
	Upper	0	0.0	0.0	0	0.0	0.0	
	Unknown	0	0.0	0.0	0	0.0	0.0	
	Total	1	100.0	100.0	79	100.0	100.0	
HMDA Totals	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	59	100.0	100.0	4,017	100.0	100.0	100.0
	Upper	0	0.0	0.0	0	0.0	0.0	0.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	59	100.0	100.0	4,017	100.0	100.0	100.0
Originations & Purchases								
2017 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2017 IA Non MSA Wright County								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2017						
		Count			Dollar			
		Bank		Agg	Bank		Agg	
#	%	%	\$(000s)	\$ %	\$ %			
Home Purchase	Low	2	10.0	7.4	106	9.9	5.3	20.2
	Moderate	1	5.0	25.9	17	1.6	21.3	21.1
	Middle	4	20.0	23.1	228	21.4	19.8	20.5
	Upper	3	15.0	21.3	97	9.1	36.4	38.2
	Unknown	10	50.0	22.2	619	58.0	17.2	0.0
	Total	20	100.0	100.0	1,067	100.0	100.0	100.0
Refinance	Low	4	11.1	8.5	114	4.0	2.7	20.2
	Moderate	1	2.8	15.5	39	1.4	13.2	21.1
	Middle	2	5.6	15.5	31	1.1	11.4	20.5
	Upper	11	30.6	33.8	1,031	36.2	45.5	38.2
	Unknown	18	50.0	26.8	1,632	57.3	27.2	0.0
	Total	36	100.0	100.0	2,847	100.0	100.0	100.0
Home Improvement	Low	0	0.0	12.5	0	0.0	15.3	20.2
	Moderate	0	0.0	43.8	0	0.0	24.8	21.1
	Middle	1	50.0	25.0	12	50.0	22.8	20.5
	Upper	1	50.0	18.8	12	50.0	37.1	38.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	2	100.0	100.0	24	100.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	20.2
	Moderate	0	0.0	0.0	0	0.0	0.0	21.1
	Middle	0	0.0	0.0	0	0.0	0.0	20.5
	Upper	0	0.0	0.0	0	0.0	0.0	38.2
	Unknown	1	100.0	100.0	79	100.0	100.0	0.0
	Total	1	100.0	100.0	79	100.0	100.0	100.0
HMDA Totals	Low	6	10.2	8.2	220	5.5	4.7	20.2
	Moderate	2	3.4	23.5	56	1.4	18.2	21.1
	Middle	7	11.9	20.4	271	6.7	16.6	20.5
	Upper	15	25.4	25.5	1,140	28.4	39.7	38.2
	Unknown	29	49.2	22.4	2,330	58.0	20.8	0.0
	Total	59	100.0	100.0	4,017	100.0	100.0	100.0
Originations & Purchases								
2017 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Assessment Area: 2017 IA Non MSA Delaware County								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	840	16.8
Moderate-income	0	0.0	0	0.0	0	0.0	731	14.6
Middle-income	3	75.0	4,120	82.4	292	7.1	1,131	22.6
Upper-income	1	25.0	882	17.6	28	3.2	2,300	46.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	4	100.0	5,002	100.0	320	6.4	5,002	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	6,728	4,568	81.9	67.9	1,196	17.8	964	14.3
Upper-income	1,303	1,011	18.1	77.6	198	15.2	94	7.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	8,031	5,579	100.0	69.5	1,394	17.4	1,058	13.2
	Total Businesses Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	670	83.5	595	83.0	63	91.3	12	75.0
Upper-income	132	16.5	122	17.0	6	8.7	4	25.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	802	100.0	717	100.0	69	100.0	16	100.0
	Percentage of Total Businesses:			89.4		8.6		2.0
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	256	82.3	255	82.3	1	100.0	0	0.0
Upper-income	55	17.7	55	17.7	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	311	100.0	310	100.0	1	100.0	0	0.0
	Percentage of Total Farms:			99.7		0.3		0.0
2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2017 IA Non MSA Delaware County								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2017						
		Count		Agg %	Dollar		Agg \$ %	
		Bank #	%		Bank \$ (000s)	\$ %		
Home Purchase	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	12	92.3	84.2	1,477	95.2	83.9	81.9
	Upper	1	7.7	15.8	75	4.8	16.1	18.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	13	100.0	100.0	1,552	100.0	100.0	100.0
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	35	79.5	81.3	9,483	83.6	86.6	81.9
	Upper	9	20.5	18.7	1,862	16.4	13.4	18.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	44	100.0	100.0	11,345	100.0	100.0	100.0
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	3	100.0	83.9	175	100.0	77.6	81.9
	Upper	0	0.0	16.1	0	0.0	22.4	18.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	3	100.0	100.0	175	100.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	Multi-Family 0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	
	Middle	0	0.0	0.0	0	0.0	0.0	
	Upper	0	0.0	0.0	0	0.0	0.0	
	Unknown	0	0.0	0.0	0	0.0	0.0	
	Total	0	0.0	0.0	0	0.0	0.0	
HMDA Totals	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	50	83.3	82.9	11,135	85.2	85.3	81.9
	Upper	10	16.7	17.1	1,937	14.8	14.7	18.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	60	100.0	100.0	13,072	100.0	100.0	100.0
Originations & Purchases								
2017 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2017 IA Non MSA Delaware County								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2017						
		Count			Dollar			
		Bank #	%	Agg %	Bank \$(000s)	\$ %	Agg \$ %	
Home Purchase	Low	1	7.7	10.2	57	3.7	5.3	16.8
	Moderate	3	23.1	24.3	372	24.0	18.2	14.6
	Middle	3	23.1	21.5	269	17.3	20.2	22.6
	Upper	5	38.5	32.4	779	50.2	43.6	46.0
	Unknown	1	7.7	11.6	75	4.8	12.7	0.0
	Total	13	100.0	100.0	1,552	100.0	100.0	100.0
Refinance	Low	1	2.3	2.4	100	0.9	1.0	16.8
	Moderate	8	18.2	21.5	1,275	11.2	10.4	14.6
	Middle	6	13.6	16.3	2,108	18.6	11.3	22.6
	Upper	23	52.3	47.2	5,760	50.8	57.4	46.0
	Unknown	6	13.6	12.6	2,102	18.5	19.8	0.0
	Total	44	100.0	100.0	11,345	100.0	100.0	100.0
Home Improvement	Low	0	0.0	5.4	0	0.0	1.9	16.8
	Moderate	0	0.0	17.9	0	0.0	13.5	14.6
	Middle	0	0.0	35.7	0	0.0	24.0	22.6
	Upper	1	33.3	33.9	50	28.6	50.5	46.0
	Unknown	2	66.7	7.1	125	71.4	10.1	0.0
	Total	3	100.0	100.0	175	100.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	16.8
	Moderate	0	0.0	0.0	0	0.0	0.0	14.6
	Middle	0	0.0	0.0	0	0.0	0.0	22.6
	Upper	0	0.0	0.0	0	0.0	0.0	46.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	0.0	0	0.0	0.0	100.0
HMDA Totals	Low	2	3.3	6.5	157	1.2	2.8	16.8
	Moderate	11	18.3	22.5	1,647	12.6	13.6	14.6
	Middle	9	15.0	20.6	2,377	18.2	15.2	22.6
	Upper	29	48.3	38.7	6,589	50.4	51.7	46.0
	Unknown	9	15.0	11.6	2,302	17.6	16.7	0.0
	Total	60	100.0	100.0	13,072	100.0	100.0	100.0
Originations & Purchases								
2017 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Assessment Area: 2017 Minneapolis-St. Paul-Bloom, MN-WI MSA 33460								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	24	10.9	16,204	7.7	5,634	34.8	50,989	24.3
Moderate-income	67	30.5	55,346	26.4	7,576	13.7	39,020	18.6
Middle-income	91	41.4	98,292	46.8	4,424	4.5	47,448	22.6
Upper-income	36	16.4	40,133	19.1	1,038	2.6	72,518	34.5
Unknown-income	2	0.9	0	0.0	0	0.0	0	0.0
Total Assessment Area	220	100.0	209,975	100.0	18,672	8.9	209,975	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	28,576	9,130	4.1	31.9	17,111	59.9	2,335	8.2
Moderate-income	101,112	52,994	23.9	52.4	42,907	42.4	5,211	5.2
Middle-income	155,543	113,348	51.1	72.9	36,314	23.3	5,881	3.8
Upper-income	61,573	46,167	20.8	75.0	13,363	21.7	2,043	3.3
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	346,804	221,639	100.0	63.9	109,695	31.6	15,470	4.5
	Total Businesses Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	2,406	6.9	1,981	6.4	376	10.2	49	17.1
Moderate-income	8,957	25.8	7,640	24.9	1,228	33.4	89	31.0
Middle-income	16,440	47.4	14,711	47.9	1,627	44.3	102	35.5
Upper-income	6,860	19.8	6,375	20.8	439	12.0	46	16.0
Unknown-income	17	0.0	14	0.0	2	0.1	1	0.3
Total Assessment Area	34,680	100.0	30,721	100.0	3,672	100.0	287	100.0
	Percentage of Total Businesses:			88.6		10.6		0.8
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	7	3.2	6	2.8	1	12.5	0	0.0
Moderate-income	20	9.0	19	8.9	1	12.5	0	0.0
Middle-income	138	62.4	132	62.0	6	75.0	0	0.0
Upper-income	56	25.3	56	26.3	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	221	100.0	213	100.0	8	100.0	0	0.0
	Percentage of Total Farms:			96.4		3.6		0.0
2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2017 Minneapolis-St. Paul-Bloom, MN-WI MSA 33460								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2017						
		Count		Agg %	Dollar		Agg \$ %	
		Bank #	%		Bank \$ (000s)	\$ %		
Home Purchase	Low	1	9.1	6.2	122	5.5	4.3	4.1
	Moderate	1	9.1	26.1	125	5.7	20.8	23.9
	Middle	6	54.5	49.6	1,253	56.8	50.4	51.1
	Upper	3	27.3	18.1	705	32.0	24.5	20.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	11	100.0	100.0	2,205	100.0	100.0	100.0
Refinance	Low	0	0.0	3.8	0	0.0	2.7	4.1
	Moderate	0	0.0	22.7	0	0.0	18.0	23.9
	Middle	7	58.3	53.4	1,191	61.6	53.3	51.1
	Upper	5	41.7	20.2	742	38.4	26.0	20.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	12	100.0	100.0	1,933	100.0	100.0	100.0
Home Improvement	Low	0	0.0	4.7	0	0.0	3.7	4.1
	Moderate	0	0.0	22.2	0	0.0	16.2	23.9
	Middle	0	0.0	51.4	0	0.0	51.4	51.1
	Upper	0	0.0	21.7	0	0.0	28.7	20.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Multi-Family	Low	0	0.0	25.7	0	0.0	12.5	Multi-Family 12.9 39.5 35.1 12.5 0.0 100.0
	Moderate	0	0.0	39.6	0	0.0	45.5	
	Middle	0	0.0	19.8	0	0.0	31.0	
	Upper	0	0.0	15.0	0	0.0	11.0	
	Unknown	0	0.0	0.0	0	0.0	0.0	
	Total	0	0.0	100.0	0	0.0	100.0	
HMDA Totals	Low	1	4.3	5.5	122	2.9	4.6	4.1
	Moderate	1	4.3	24.9	125	3.0	22.0	23.9
	Middle	13	56.5	50.7	2,444	59.1	49.6	51.1
	Upper	8	34.8	18.9	1,447	35.0	23.9	20.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	23	100.0	100.0	4,138	100.0	100.0	100.0
Originations & Purchases								
2017 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2017 Minneapolis-St. Paul-Bloom, MN-WI MSA 33460								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2017						
		Count		Agg %	Dollar		Agg \$ %	
		Bank #	%		Bank \$(000s)	\$ %		
Home Purchase	Low	1	9.1	12.6	170	7.7	8.1	24.3
	Moderate	2	18.2	27.0	349	15.8	22.8	18.6
	Middle	5	45.5	19.8	1,100	49.9	20.9	22.6
	Upper	2	18.2	20.0	461	20.9	28.4	34.5
	Unknown	1	9.1	20.7	125	5.7	19.8	0.0
	Total	11	100.0	100.0	2,205	100.0	100.0	100.0
Refinance	Low	1	8.3	10.3	38	2.0	6.9	24.3
	Moderate	3	25.0	24.2	425	22.0	20.2	18.6
	Middle	5	41.7	23.3	871	45.1	23.3	22.6
	Upper	3	25.0	25.8	599	31.0	32.8	34.5
	Unknown	0	0.0	16.4	0	0.0	16.8	0.0
	Total	12	100.0	100.0	1,933	100.0	100.0	100.0
Home Improvement	Low	0	0.0	9.4	0	0.0	6.9	24.3
	Moderate	0	0.0	23.2	0	0.0	19.9	18.6
	Middle	0	0.0	27.4	0	0.0	26.0	22.6
	Upper	0	0.0	34.3	0	0.0	39.6	34.5
	Unknown	0	0.0	5.7	0	0.0	7.7	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	24.3
	Moderate	0	0.0	0.0	0	0.0	0.0	18.6
	Middle	0	0.0	0.0	0	0.0	0.0	22.6
	Upper	0	0.0	0.0	0	0.0	0.0	34.5
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	2	8.7	11.6	208	5.0	7.1	24.3
	Moderate	5	21.7	25.8	774	18.7	20.2	18.6
	Middle	10	43.5	21.2	1,971	47.6	19.9	22.6
	Upper	5	21.7	22.5	1,060	25.6	27.6	34.5
	Unknown	1	4.3	18.9	125	3.0	25.2	0.0
	Total	23	100.0	100.0	4,138	100.0	100.0	100.0
Originations & Purchases								
2017 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

APPENDIX D – Glossary

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

American Community Survey Data (ACS): The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the “five-year estimate data.” The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.¹

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41

Automated teller machine (ATM): An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an

¹ Source: FFIEC press release dated October 19, 2011.

uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

Census tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide non metropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or
4. Activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definitions of community development. Activities that revitalize or stabilize:

- 1) Low- or moderate-income geographies;
- 2) Designated disaster areas; or
- 3) Distressed or underserved nonmetropolitan middle-income geographies

designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:

- a. Rates of poverty, unemployment or population loss; or
- b. Population size, density and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

Community Development Loan: A community development loan means a loan that:

- 1) Has as its primary purpose community development; and
- 2) Except in the case of a wholesale or limited purpose bank –
 - a. Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
 - b. Benefits the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

Community Development Service: A community development service means a service that:

- 1) Has as its primary purpose community development; and
- 2) Is related to the provision of financial services.

Consumer loan: A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories of loans: motor vehicle, credit card, other consumer secured loan, including a home improvement loan not secured by a dwelling, and other consumer unsecured loan, including a loan for home improvement not secured.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married couple family or other family, which is further classified into "male householder" (a family with a male household and no wife present) or "female householder" (a family with a female householder and no husband present).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to

permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Full review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity and responsiveness).

Geography: A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

Home mortgage loans: Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Income Level: Income level means:

- 1) Low-income – an individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a census tract;
- 2) Moderate-income – an individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a census tract;

- 3) Middle-income – an individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a census tract; and
- 4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).

Limited-purpose bank: This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

Limited review: Performance under the Lending, Investment, and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

Loan location: Under this definition, a loan is located as follows:

- 1) Consumer loan is located in the census tract where the borrower resides;
- 2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
- 3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Loan product office (LPO): This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: A metropolitan statistical area (MSA) or a metropolitan division (MD) as

defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Bank: This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than \$1.252 billion. Intermediate small bank means a small bank with assets of at least \$313 million as of December 31 of both of the prior two calendar years and less than \$1.252 billion as of December 31 of either of the prior two calendar years.

Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

Small Business Loan: This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of \$1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: This term refers to a loan that is included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of \$500 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Wholesale Bank: This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).